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## Near East/South Asia Report

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14 April 1986

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EGYPT

# SENIOR INTERIOR APPOINTMENTS ANNOUNCED

Cairo AL-AHRAM in Arabic 12 Mar 86 p 1

[Text] Major General Zaki Badr, interior minister, announced the appointment of nine major generals as assistants to the interior minister. They are: Muhammad Ra'fat al-Sayyid (security), Muhammad Husayn Mudin (central region), Mustafa Kamil Ibrahim (state security investigation), Muhammad Hilmi Salah (security forces), Sa'd Muhammad Shams (Suez Canal region), 'Abd-al-Hamid Badawi Ahmad (central Egypt region), 'Abd-al-Tawwab Ahmad Rashwan (southern region), Jamil 'Abd-al-'Alim Abu-al-Dhahab (police organizations), 'Abd-al-Rahim Tawfiq al-Nahhas (central security forces).

The interior minister also announced the appointment of 24 major generals to work as directors of security in the governorates and general directorates in the ministry. The directors of security in the governorates are: 'Abdallah Sulayman Abazah (Alexandria), Ahmad Ibrahim Kuhiyah (al-Qalyubiyah), Salah-al-Din Barakat (Ismailia), 'Atif Najib Zaki al-Sa'idi (al-Jizah), Fawzi 'Abd-al-Wahhab 'Uways (Suez), Muhammad 'Abd-al-Qadir Hafiz (Matruh), 'Izz-al-Din 'Abd-al-Sami' al-Tuways (Port Said), Kamal Isma'il Kamal (al-Minufiyah), Salah-al-Din Muhammad Ghalib (al-Fayyum), 'Abd-al-Wahhab 'Abd-al-Jawad 'Abd-al-'Al (Bani Suwayf), Hasan Kazim Abu-al-'Ala (al-Sharqiyah), Salah-al-Din Hafiz 'Amir (Aswan), 'Abd-al-Zahir Mahmud Hasanayn (al-Gharbiyah), Ahmad Ibrahim Shawkat (al-Daqahliyah), Ahmad 'Abd-al-Ghani Shandi (al-Buhayrah).

The directors of the general directorates are: Hasan Al-Sayyid Sulayman (police communications), Yusri Muhammad Khalil (recruit affairs), 'Abd-al-Khaliq Abu-al-Sa'ud (Alexandria harbor police), 'Amr Ibrahim al-Nahhas (elections), Jamal-al-Din Talabah Hijazi (military law), Rida 'Abdallah (general traffic directorate), Muhammad Abu 'Isa Tu'aymah (information and documentation), Ahmad Fathi Ghanim (tax evasion), Muhammad Rif'at al-Tabi'i (central security operations).

/9365

CSO: 4504/244



EGYPT

OPPOSITION REPORTS SUSPENSION OF HAYKAL COLUMN

Cairo AL-SHA'B in Arabic 11 Mar 86 p 1

[Text] AL-SHA'B has learned that Muhammad Hasanayn Haykal's articles in AKHBAR AL-YAWM were not favorably received in ruling political circles. This was the reason that his series of articles was not allowed to continue. Ibrahim Sa'dah, editor-in-chief of AL-AKHBAR had said that Haykal decided from the outset not to write regularly, every week, and that he would write one or more articles from time to time, according to the nature of the subject he was dealing with.

However, we observe that it had been announced that Haykal's series would consist of three installments, but only the first two have been published. AL-SHA'B has also learned that the third installment was, in fact, submitted to Ibrahim Sa'dah.

/12913

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EGYPT

AL-AHRAM ALLEGEDLY SUPPRESSES DAILY COLUMN

London AL-HAWADITH in Arabic 21 Mar 86 p 9

[Text] The "Yawmiyat" [Diary] column which Ahmad Baha'-al-Din writes daily for AL-AHRAM newspaper has disappeared. Baha'al-Din had written the last column on Wednesday 12 March on Shams al-Din al-Fasi, head of the World Sufi Council (a private council based in London). The editor-in-chief refused to publish it and requested that it be replaced with another column. But Baha'-al-Din refused, and refused to write until the article was published. It is known that al-Fasi visited Egypt recently, when he met with President Mubarak and the prime minister. He appeared on television giving religious lessons, and he contributed to Egypt's debt repayment.

/9365

CSO: 4504/244

LIBYA

## NEGOTIATIONS FOR BRAZILIAN ARMS SALES TO RESUME

Paris AFRICAN DEFENCE in English Feb 86 pp 4-5

[Text]

• **Brazil to Resume Negotiations With Libya on Arms Sales.** Brasilia and Tripoli will resume negotiations of contracts worth 300 million dollars to buy war materiel. The negotiations will resume after an interruption of nearly three years caused by the detention in Recife and Manaus of four Libyan aircraft that were transporting weapons in Nicaragua.

Abd al-Latif Khalifah Bukur, Secretary General of the Libyan embassy in Brasilia, was to arrive in Sao Jose dos Campos on Jan. 5th to start preparing for the visit of an official delegation from Tripoli. This delegation will arrive in Brazil in March to purchase weapons. Actually, the Libyans will negotiate contracts that were practically settled when the Brazilian government seized the aircraft in Manaus and Recife during the first half of 1983. The aircraft were released only after intense negotiations.

After Iraq, Libya is Brazil's best weapons customer, and it may become the best customer in 1986 if the re-negotiated contracts are signed. These contracts include Tucano and Bandeirante airplanes manufactured by the Brazilian Aeronautics Company Embraer, contracts for tracked tanks and wheeled armoured vehicles from Engesa, and the Brazilian Airspace Industry Avibras which will provide bombs, rockets, and integrated defence systems. The contracts envisage a delivery period ranging from two to six years, once signed. The payments will be made over a similar period and will be mostly in cash.

Despite the seizing of the aircraft, Libya continued receiving Brazilian war equipment over the last three years because of a 250 million dollar contract signed in 1981 with Brazilian war materiel companies. Libya bought armoured vehicles from Engesa; rockets, bombs and launchers from Avibras; and personnel equipment manufactured by the ordnance industry Imbel. These purchases have already been delivered and the payments

have not fallen due. On the contrary, most of the payments were made in cash. Brazil could sell an entire factory of weapons to Libya, the Libyan ambassador to Brazil, Faraj al-Sayti said on Dec. 2nd. A Libyan official delegation will arrive in Brasilia in March 1986 to negotiate with Itamaraty a package of economic, commercial and technological agreements that would bring the overall bilateral trade to 1bn dollars in 1986. Sayti said the Libyan government wanted to purchase weapons and manufactured items; as well as technology for the installation of steel, petrochemical, textile, food, electronic and light weapon industries. Thus far, Itamaraty sources have confirmed the Brazilian government's interest in diversifying and intensifying its relations with Libya, and in exchanging technology with Third World countries.

Brazil has already become the third largest exporter of arms to Libya - behind the Soviet Union and the EEC - and, in the face of an imminent war with Egypt, Libya will probably place urgent orders for Brazilian light weapons and tanks to replace existing ones or to increase its inventory, Sayti said. Last year, bilateral trade totalled only 9M dollars. One item that could increase bilateral trade to 1bn dollars is the Tucano plane. Sayti said the Libyan armed forces were studying the possibility of using the Tucano plane for training fighter pilots. He added that by February, before the Libyan trade mission was due in Brasilia, a comprehensive study of Libya's needs should be available. In the meantime, Brazilian exports will be limited to replacing weapons and tanks because there would be no time to train troops to use new weapons.

Sayti said: "We buy arms to use them when we are attacked. When that happens, as it is happening now, we will use all the weapons we have purchased from various sources." He added: "We hope to strengthen our relations with Brazil under the new republic."

MOROCCO

#### MUSTAPHA SEHIMI REVIEWS BOOK ON FOOD FRAUD

Casablanca LE MESSAGE DE LA NATION in French 14 Feb 86 p 52

[Review by Mustapha Sehimmi of "L'evaluation du role de l'administration dans la lutte contre la fraude alimentaire au Maroc" [Evaluation of the Administration's Role in the Fight Against Food Fraud in Morocco] by Amar Hamimaz, member of the faculty of the Rabat Law School, Rabat Law School, January 1986, 290 pages]

[Text] Food fraud! It worries consumers; the authorities, too--sometimes people die of it...That it's a health question is certain. And a question of danger. Hence the interest in the research being conducted by Amar Hamimaz within the context of a DES report.

The evaluation of the administration's role in the fight against food fraud in Morocco--this is actually the title of the report--required that the problem's particulars be presented first of all; this is the subject of the first part. Here the author develops the foundation of the repression in this field and especially underlines the dahir of 14 October 1914, which today constitutes--even though it has been amended on diverse occasions--the real blueprint that runs through the applicable legislation and regulation in this field.

#### A Regulatory Maze

It is in fact by virtue of that basic text that the administration has at its disposal a legal arsenal that permits it to define the essential missions, the field of action and the jurisdictions of the specialized services in food control and control of common products; it is that same text that also empowers it to enact regulations for public administration.

Finally--as may well be imagined--that text is not the only one that is applicable. And today one has to face a veritable regulatory maze because there are no less than 19 other dahirs, 63 vizirial decrees or orders and 33 ministerial or interministerial orders still in effect. Therefore, a great deal of legal knowledge and erudition is required in order to embrace all of the laws in effect that pertain to food fraud.

After listing all of the traditional and modern laws designed to suppress food fraud, the author has devoted himself to examining the importance of the stakes. As far as public health is concerned, the place of chemical substances in food is actually known. Whether it be food additives, pesticides, heavy metals or

asbestos, Amar Hamimaz presents us with quite a list. A worrisome picture; one that is often frightening. Indeed it makes us think about what we consume every day without concerning ourselves more with the component elements of what we are eating.

Sometimes, as the revelations emerge, we find ourselves sorry that we ever became aware of such an unsavory clinical and nutritional picture. As in so many other fields, it is sometimes better not to know!

#### What Can the Administration Do?

The consequences of food fraud concern more than just the social level; they also involve the economic sector. They add to production costs; they also have an impact on foreign trade insofar as they lead to several "perverse" phenomena. For instance, excess profit for vendors who often sell us second-rate products, as well as the bad name that may be given nationally on national exports by any sale that is not responsive to the requisite health standards.

Faced with this situation, what can the administration do? This is the subject of the second part entitled "Les aspects de l'intervention administrative" [Aspects of Administrative Intervention]. There is assuredly a great deal to be done in this regard and the author draws a complete picture of the panoply of means that have been set up, as well as the range of administrative structures already in operation. That there is an increase in services will not really come as a surprise to anyone; this is often the price of administrative inefficiency, indeed of bureaucracy, which is more concerned with running itself than with carrying out its public service mission. It is well known that we suffer from inadequate coordination. Finally, it is the common lot that administrative action is technically ill-equipped.

Drawing his conclusions from all of these developments, the author rightly emphasizes that "it is not only at the legal or administrative level that we must act, but also at the level of producers and consumers." Will he be heard as long as "consumerism" (the consumer protection movement) continues to be no more than a pious wish? Undoubtedly, it has been possible to observe improvements here and there, as much in regulation as in control of techniques. But it must be said that we are still a long way from a genuine policy of prevention and repression that is likely--if not to eliminate food fraud--at least to reduce its occurrence in what we call "intolerable" proportions.

Here is a piece of research to read. And to study. It provides us with stimulating thoughts that call out to everyone--authorities, producers and consumers.

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CSO: 4519/73

TUNISIA

## RURAL ECONOMIC DEVELOPMENT PROGRAM EXAMINED

Tunis DIALOGUE in French 10 Feb 86 pp 39, 40

[Article by Wajdi Saihi: "Integrated Rural Development Program: To Fit the Forecasts"; first paragraph is DIALOGUE introduction]

[Text] Started 2 years ago, the Integrated Rural Development Program has already begun realization of two thirds of the objectives set for its first 3 years. The recent cooperation agreements with the Islamic Bank and the FADES serve to confirm this ambitious project's human dimension.

Two events of great import marked the financial scene in the last few days and again put the Integrated Rural Development Program (PDRI), which was begun in the first months of 1984, uppermost on the activity agenda. Involved was the signing of two loan agreements for the financing of a group of projects under the PDRI. The first concerns consolidating the cooperation, which is already well established, between Tunisia and the Islamic Development Bank, while the second brings together once again the Arab Economic and Social Development Fund (FADES) and the effort undertaken by Tunisia toward development.

In accordance with the first agreement, therefore, credits amounting to 8.6 million dinars are being put at the disposal of Tunisia by the Islamic Bank for the financing of certain operations relative to deep-well drilling and equipment under the PDRI. It should be pointed out in this context that this new agreement consolidates already-existing cooperation relations which are reflected in the contribution of the Islamic Bank toward financing 34 projects with a total sum of 260 million dinars.

The second agreement relative to the same program was signed on Friday 31 January between Tunisia and the FADES; in accordance with that agreement, credits amounting to 37.8 million dinars are allocated to finance drilling operations for surface wells, improve and develop irrigated areas, plant fruit trees where it is dry and acquire agricultural equipment.

Thus the two agreements are illustrative of the interest and confidence that Bourguiba's Tunisia enjoys in the opinion of international financial authorities, as emphasized by D'Abdellatif Youssef Hamad, the Fund's general director, at the ceremony when the agreement was signed. He added that the FADES had decided to support the full expansion Tunisia was going through by contributing to

the financing of new projects under the Seventh Plan. We point out that with the help of this new agreement the fund, since it was founded in 1984, will have participated in 15 projects for a total of 140 million dinars.

#### Arab-Islamic Participation in Financing

On the other hand, in addition to the FADES' and the Islamic Bank's participation in the financing, the plan for financing the entire program provides for participation by the Saudi Development Fund, the Kuwaiti Fund and the African Development Bank, for an overall total of 160 million dinars, a 45 percent share of the whole, whose cost is estimated at 355 million dinars.

As for the start-up of the program itself, it took place under the specified conditions and dates, that is, beginning early in the second quarter of 1984 with 60 projects for the first year and 76 for the second section, which was spread over 1984 and 1985. The remainder of the projects will start up this year. The realization of each of these projects is programmed over 3 years, so that realization of the entire program is spread out over 5 years.

The huge program, as is well known, has been introduced since 1984. Its objective was to give the regional and rural effort a more significant impact by focusing the action chiefly on consolidating and re-orienting the classic Rural Development Program in order to make it a true development program which would directly contribute to creating jobs and increasing the production of income. The step adopted rested on simultaneous realization of additional actions within the framework of integrated development at the operating level and in the same area of intervention, in such a way as to keep the largest share of the envelope for productive components, and so as to bring about more active participation by those who benefit from the realization of the program.

#### Priority for the Economic and Productive Aspects

Moreover, this approach was clearly outlined by Mohamed Mzali, the prime minister and interior minister, at the Arab seminar on the Integrated Rural Development Program, which was held on 23 and 24 March 1984. After stressing the human and social aspects of the project, he indicated that the economic and productive aspects constitute the bases of the new program, in agricultural activities in particular. "Thus, in our provisions," Mohamed Mzali added, "we have dedicated two thirds of the credits to productive projects and the remaining one third to infrastructure and social equipment."

The program's other novelty surely has to do with regional distribution. To that end, the choices were dictated by the concern for promoting the regions that have benefited the least from development conditions, and on this account five regions were identified according to the priorities and development potentialities.

As for the expected impact, the program will enable production to be intensified, productivity to be increased, nearly 20,000 sources of revenue to be created and the rural population to be settled in its own milieu. It will also directly affect 142,000 families consisting of 800,000 persons, or one quarter of the rural population.

As far as the specifics of the effort are concerned, it basically targets agriculture; it applies to the irrigated sector, nonirrigated cultivation, cattle raising, arboriculture and fishing. The small-trade sector, one of the main concerns of the project, is especially aimed at developing existing human resources by furnishing the working tools necessary for the advancement of certain services.

#### Partners in PDRI Financing

<u>Fund</u>	<u>Amount [Millions of Dinars]</u>
Arab Fund for Economic and Social Development	37.8
Kuwaiti Fund	48.6
Islamic Bank	8.6
Saudi Development Fund	21.9
African Development Bank	43.9

#### Average Income of Farmers (Growing Season) in Dinars

<u>Type of Farming</u>	<u>Area</u>				
	<u>Northwest</u>	<u>West Central</u>	<u>South</u>	<u>East Central</u>	<u>Northeast</u>
Irrigated	7046	6575	3563	3960	7166
Nonirrigated	3452	1551	1523	1327	4266

#### Increase in Production (in 1,000 tons)

<u>Product</u>	<u>Without Program</u>	<u>With Program</u>	<u>Increase</u>
Legumes	30.0	122.0	92
Fruits	-	123.0	123.0
Meat	1.3	8.6	7.3
Milk	-	20.7	20.7
Wool	0.1	0.4	0.3

(Source: Planning Ministry)

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CSO: 4519/66



TUNISIA

BRIEFS

ALLEGED PLOT TO ALIENATE JEWS---It has been observed that the pro-Israeli Western media began, some time ago, concentrating on the fate of Tunisian Jews, after having been concerned in the past with Soviet and Syrian Jews. This "new concern" is attributable to the difficult political situation which Tunisia is experiencing, especially after the Israeli raid on the PLO headquarters and the increase in the wave of hostility by the Tunisian people toward Israel. In spite of the desire of the Tunisian authorities to reassure the Tunisian Jews by regarding them as Tunisians above all else, Israel has begun preparing a plot to cause a rift between Tunisian Jews and the motherland. It is worthy of mention that the Jewish community in Tunisia is concentrated on the island of Jerba where its population is around 1,000, after having exceeded 5,000 in the 1950's. [Text] [Paris AL-MUSTAQBAL in Arabic 8 Mar 86 p 10] /9365

CSO: 4504/246

IRAQ

# NAVY CHIEF CLAIMS IRANIAN LINES TO AL-FAW CUT

London AL-DUSTUR in Arabic 10 Mar 86 p 12

[Interview with Navy Commander 'Abd Muhammad 'Abdallah by Walid al-Zubaydi in Baghdad: "Our Forces Have Cut Off Iranian Supplies to Al-Faw"; date not given]

[Text] The Iraqi Navy has joined with the rest of the Iraqi units in countering the new Iranian aggression by blockading and destroying its units in the Al-Faw and Ra's al-Bishah region. The role of the Navy has become more prominent in these battles considering that they are in its theater of operations in the northern Arabian Gulf. We turned to Staff Rear Admiral 'Abd Muhammad 'Abdallah, the Iraqi naval commander, for the following interview:

[AL-DUSTUR] The Iraqi Navy's new mission is to prevent any force from heading toward Bubiyan [Island] and other regions in the northern Arabian Gulf. Can we know something about this mission?

['Abdallah] We have economic interests in the Arabian Gulf represented by the ports of Al-'Amiq and Al-Bakr. They are located off the Iraqi and Kuwaiti shores; Bubiyan Island, specifically, lies at a distance of 25 nautical miles (about 50 kilometers) from these shores. The Iraqi Navy is currently charged with various duties, of which the most important are the protection of Iraq and its economic facilities, the blocking of the enemy's lines of communication, and preventing his supplies from reaching the Al-Faw region by sea. We therefore consider any ship which approaches this sector as one of our targets. By its features alone, we cannot tell whether it is being directed to threaten our facilities, to supply the enemy at Ra's al-Bishah or Al-Faw, to enter the Khawr 'Abdallah [Marsh] and threaten Umm Qasr, or to threaten our forces' left flank. They do this knowing that Bubiyan Island is the western shore of the Khawr 'Abdallah. In this case, it is necessary to counter and deal with the targets in the theater of operations.

[AL-DUSTUR] To what extent will the Iraqi Navy participate in protecting the Arabian Gulf region against Iranian aggression?

['Abdallah] Our Iraqi Navy is prepared to offer assistance and support to our brothers in the Gulf if the General Command of the Armed Forces, to be one which considers Arab security is charged with any duty of this type.

The Iranian enemy knows well that our forces in their various forms will prevent him from launching any aggression against the Arabian Gulf countries, just as it scattered his dreams, curtailed his aggression aimed at the region as a whole and inflicted destruction and defeat upon him.

[AL-DUSTUR] What is your estimate of the Iraqi Navy's role in the recent battles?

['Abdallah] In following the situation since the beginning of the Iranian invasion the role of our Navy appears to be prominent in carrying out the following:

In preventing supplies from reaching the enemy by sea, we have sunk 41 supply and provisioning ships heading toward Ra's al-Bishah and Al-Faw and have completely cut off his supplies from 10 February until now.

Naval infantry forces, especially during the first 3 days of the aggression, resisted and stopped the Iranian forces, subsequently surrounding them in a narrow sector until the ground forces arrived and received their mission to surround and destroy the enemy. Our infantry is still fighting this battle.

Ensuring the protection of the ports of Al-Bakr and the Al-'Amiq and thwarting the two main attacks on 11 and 12 February which the enemy launched, we were able to rip him apart, sink his ships and motorboats and capture a large number of his personnel. A larger number of them were killed and their corpses are still in the motorboats floating at sea and being scattered over great distances.

We are ensuring effective protection and surveillance of the right flank of the ground units against landing or infiltration from the sea.

Our forces have continued to enforce a blockade on Kharg Island and the oil ports against the arrival of three huge destroyers [as published] for 5 days. They include a Liberian tanker, the 330,000-ton (Midoza), a Cypriot super-tanker, the 260,000-ton (Buliz), and another Cypriot vessel, the 135,000-ton (Lioi Ai). We are imposing total control on the northern Arabian Gulf region and are preventing enemy forces and any other ship from approaching the theater of operations for a distance of 150 kilometers from our shores.

[AL-DUSTUR] Can we know something about the Iranian casualties among the naval units in this fighting?

['Abdallah] The Iranians tried to squeeze a number of missile boats and ships [through the blockade] for surveillance, reconnaissance, and observation. On various days three missile boats, a command ship and an electronic surveillance ship were sunk and a frigate was destroyed near Kharq Island.

[AL-DUSTUR] Can the Gulf states' navy protect their interests?

['Abdallah] The capabilities which the Gulf states possess in the naval realm are considered to be really advanced. They are thus able to provide

effective protection against the Iranian fleet and to cause even more casualties to it. We are confident that our brothers in the Gulf are capable of the utmost casualties among the Iranian enemy and his navy should he try to resort to a foolhardy adventure of this type.

[AL-DUSTUR] How do you justify the Iranian success in bridging the Shatt al-'Arab and is it correct that there are many bridges?

['Abdallah] Iran has constructed a bridge on the Shatt al-'Arab; however, it was completely destroyed by our naval units. The experts in the engineering ranks who are concerned with this have confirmed that this bridge cannot be repaired. On 21 February, the enemy resorted to bringing another bridge to set up. This activity was observed until it was completed and then we destroyed it. Large parts of it were scattered and the current swept it away. Accordingly, maintaining a bridge in place is impossible. The point is not to construct bridges, but to maintain them. The enemy has not been able to do this nor will he be able to. Thus, the Navy has received the appreciation of President Saddam Husayn. He has directly strengthened its role through his meetings with the fighters and with me personally.

[AL-DUSTUR] How are the Iranians strengthening their collapsing units from other units?

['Abdallah] This is being accomplished by using small motorboats which can carry no more than a very small number of personnel. The enemy resorted to this method after failing to extend the bridges. Therefore, after we prevented his ships and motorboats from reaching its surrounded units in the Al-Faw region, the enemy felt that he was in an extremely cramped situation regarding his wretched position. His approaching units will never be able to return and we are very confident of this. Therefore we take joy in the fact that he is pushing large numbers of fresh troops into the Al-Faw region because the fate of these concentrations is assured destruction.

[AL-DUSTUR] In your estimation, what is the number of enemy casualties in the Al-Faw battles?

['Abdallah] Thus far the enemy has lost from 150,000 to 200,000 men and he is in the final stages of collapse. There is no doubt that the number will be higher than that.

[AL-DUSTUR] After these battles, when will the Iranians be able to launch another attack?

['Abdallah] I think because of the number of casualties the enemy has suffered, this battle has become the final battle. If he tries to attack again, he will need 2 or 3 years.

/9365  
CSO: 4404/264

14 April 1986

IRAQ

## AIR FORCE COMMANDER INTERVIEWED ON AERIAL OPERATIONS

London AL-DUSTUR in Arabic 3 Mar 86 p 6

[Interview with Air Force commander Hamid Sha'ban by Walid al-Zubaydi, date and place not given: "We have weapons which have not yet been used"]

[Text] The Iraqi Air Force is conducting an increasing number of sorties against important Iranian forces and targets. There has been an increase, on the average, of 400 sorties per day since the start of the new Iranian aggression with heavy casualties among Iranian forces. Despite his preoccupation and absence from the headquarters of the Air Force command, I was able to meet with Flight Lt Gen Hamid Sha'ban, the Air Force commander, and conduct this interview.

[AL-DUSTUR] What is your estimate of the Iranian situation and the new dilemma into which they have fallen?

[Hamid Sha'ban] What will the Iranian condition be after an Iraqi reaction of this magnitude, in which the Iraqi Air Force made a quick response represented by the destruction of most of their bridges and boats and the striking of troop concentration with a very strong impetus in a manner never before seen?

This response was the result of our complete preparation and our knowledge of the course of events. After we stripped the areas whence support and backing were gathered we augmented this support to destroy the dreams of our enemies who were imagining that they were capable of realizing their confused dreams by reaching Umm Qasr and the Kuwaiti borders and interfering in the affairs of the Arab Gulf region.

However, the opposite occurred. The great spearhead failed due to the mighty blows from various weapons with air power at the fore. This was tantamount to a human pulverizer. The factor which aided Iraqi air power in meting out punishment through incursion is that there is open terrain, the positions are known in detail, and there are no folds in the terrain for the enemy to hide in. The Iranians tried to give support to their forces and to evacuate their casualties in several ways. After all the bridges and crossings were cut off, they resorted to small boats at sea and various types of rafts, but this was where the air force was lying in wait for them. After having all its small craft rent asunder, the enemy was in dire straits. We are currently

continuing to destroy all waves of troops and reinforcements which try to reach them. Through our reconnaissance and photography of the areas we had hit, we noticed the great amount of damage inflicted on them. It is my believe that they are now in a very critical situation and until they withdraw it will be difficult for them. When we destroy all the pockets we will move from the second stage to a new stage.

[AL-DUSTUR] Can we know something about this new stage?

[Hamid Sha'ban] In the next stage we will destroy all their returning units and we will move to the heart of Iranian soil. We will crush the strongholds in the rear, wherever they may be found and at the same time we will continue to strike the economic facilities and means of aggression. We will strike and destroy maritime targets and oil wells just as we strike every enemy aircraft which approaches the zone of operations or the heartland. After our downing of a number of aircraft it has become impossible for them to fly, even within Iran. This is their current situation.

[AL-DUSTUR] What is the number of Iranian enemy casualties in these battles according to your estimate?

[Hamid Sha'ban] According to reliable sources provided to us and to aerial photography which indicates that the enemy has thrust the very best of its units into this pulverizer, 50-70 percent of the Iranian forces have been destroyed in manpower, equipment, weaponry, and military vehicles. Just as I said previously, we are continually stripping away their means of fording and transport and this will prevent the rest of the units from returning to the rear. Accordingly, the number of enemy casualties will increase. There is no doubt that it will mount up to more than this figure, but the exact numbers indicate that thus far more than 50,000 enemy personnel have been killed. In the next few days the number will reach 70,000 to 80,000.

[AL-DUSTUR] Is Iraq employing new weapons in the current fighting?

[Hamid Sha'ban] Yes. We have employed modern weapons in accordance with the current situation and there are weapons which have not been used before. They have been readied for the subsequent stage when we deliver the coup de grace to the enemy and specifically to the Iranian heartland.

[AL-DUSTUR] You previously stated that the true air battle had not yet begun. Do you think that it has now begun?

[Hamid Sha'ban] Our true battle will go on in stages. The first stage is what is presently occurring; i.e., the destruction of enemies in the zone of operations. The second stage begins when the enemy is repulsed whereupon we will sever the ties between the rescuers and the defeated in the Iranian heartland and strip them of all their economic and hostile means. As for the targets that we will destroy, we will not name them now. The strikes will be sudden and intense and will surprise the enemy.

[AL-DUSTUR] How many planes has Iran lost in these battles and how many have your forces lost?

[Hamid Sha'ban] The Iranian losses are a known fact and I am certain that no planes that enters Iraqi air space escapes. We have now shot down about 20 aircraft while losing only 8 and this despite thousands of sorties. In this connection we will remind the enemy that these pilots were seen ejecting as their planes were hit and we have enough information to know that they are alive in enemy hands. We warn them that if anything happens to these pilots, let them remember that we hold captured Iranian pilots.

[AL-DUSTUR] The news is repeated in some circles that there is a passage which the Iranians constructed under the Shatt al-'Arab leading to the al-Faw region. How accurate is this information?

[Hamid Sha'ban] This passage absolutely does not exist. We know quite accurately by using our special methods that such a tunnel does not exist. We also know that the Shatt al-'Arab is wide and that it ebbs and flows and that if there is a passage under the water there should be indications of such a structure as well as an entrance and an exit. We are daily making the details of the roads more accurate either by aerial photography or by visual reconnaissance. The passage absolutely does not exist.

[AL-DUSTUR] What is the affect of the current fighting on the situation in Iran and on the future of the war?

[Hamid Sha'ban] Remember what I told you before. This battle will be final in our thinking and decisive in relation to the enemy. This is attributable to a number of causes: When we finish cleansing the region of the 1st aggressor, the enemy casualties from the volunteer and regular forces will be very high and this is known by all. In the same manner the means of military aggression, vehicles, and bridges will be smashed because they throw in all they possess. Likewise, our air force, according to plan, will complete and totally destroy all the economic and energy resources available to the enemy. What remains of its air power will be heavily damaged. Add to this the tragic moral condition which will befall the Iranian people; the psychological frustration will be quite storng. In view of this, we believe that it will create a climate for violent reaction against the political and military leadership which got the Iranian forces invovled and killed the sons of the Iranian people in a manner which has never happened before in the history of the world's armies. Just as Iraq is able to bring about complete destruction after stage, it will also block any future aggressive attempts.

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ISRAEL

ISRAEL BROADCASTING AUTHORITY DILEMMA DISCUSSED

Jerusalem THE JERUSALEM POST (JERUSALEM POST MAGAZINE supplement) in English  
14 Mar 86 pp 6-7

[Article by Ilan Chaim and Fay Cashman]

[Text]

WHEN THE evening television news broadcast is suddenly disrupted – and not by electrical failure – two thoughts occur to the viewer: something of dire national importance has just taken place and we are about to be informed of another calamity or – after a moment's reflection – it must be sanctions again.

The sanctions that black out the news, or merely cause the newscasters to vanish suddenly and then playfully to reappear, are generally understood to be the deeds of the technicians, making a less understood point in their ongoing labour conflict by exploiting their stranglehold on the most popular show on television.

The technicians, it is true, are the tail wagging the dog; but this curious phenomenon is not limited to the news. Responsibility for the deterioration of labour relations at Television House also rests with the management, which has largely abdicated its role. The result has meant the near total abandonment of Israel Television's mandate to foster the national culture by local programming and – among the occasional basketball game, myriad talk shows and *Dallas*-surrogates – there lurks the suspicion that chaos rules the air waves.

THERE IS an old Chinese curse: "May you be born in interesting times." Interesting, that is, in the historical sense: war, famine, plague, etc. In our own interesting corner of the world, the news broadcast is not a casual event, easily ignored. The electronic beeps heralding the hourly radio newscasts cause an immediate Pavlovian reaction among Israelis; virtually all ears perk up. In the evening, the *Mabat* newsreel garners a similar response, capturing the attention of over two-thirds the potential viewing audience.

But what this audience sees is far less than what it should be getting, according to *Mabat* director Michael Karpin. "We have an excellent staff, some of whom rank among the best in the world. But we are hampered in our news gathering by being the only station in the world shooting the news on regular film, rather than with modern video equipment." Other countries' stations made the transition from film to electronic news gathering (ENG) in the late Sixties and early Seventies. ITV purchased ENG equipment eight years ago, much of which has been gathering dust – and growing obsolete – in the warehouse, due to the management's failure to overcome the technicians' opposition to its use.



"This is a scandal, both economically and professionally," declares Karpin, 41, who is coming to the end of a stormy three-year term as *Mabat* editor after serving as ITV's Bonn correspondent. "European countries – whose TV broadcasting is more similar to ours than that in the U.S. – have found that using film is twice as expensive as video. One minute of video film costs about \$500 to produce, compared to about \$1,000 for a minute of film. I don't believe ITV could get down to \$500 per minute immediately after switching to ENG, but it could at least reduce the cost to \$750 right at the beginning. At an average of 15 minutes of locally produced news film a night, this would work out to an immediate annual savings of \$1.4 million and an eventual savings of twice that. We could even buy all new ENG equipment, and it would pay for itself in a year or so."

BUT it is the professional cost of the deadlock that is most galling to the man who decides what news to show the country each night. "No events can be filmed in Haifa after 3 p.m. and be shown on *Mabat* the same night. No events can be filmed in Tel Aviv after 5 p.m.," states Karpin. The reason is that the ordinary, 16mm. movie film insisted upon by the technicians must be delivered to the lab in Jerusalem, developed, dried and edited by hand (cutting and splicing), before it can be broadcast. Video tape, in contrast, needs no such processing; it can be edited electronically in a fraction of the time, even in the van on the way to Jerusalem, and much ENG material can be transmitted instantly from the news event to the studio, either for recording and editing or immediate live broadcast.

The inflated number of technicians employed in outmoded news gathering means fewer camera teams available for breaking events. "We have one crew in Tel Aviv to cover any event in the entire central region during the day, plus one standby crew in the evening," notes Karpin. "We have a single crew – with no standby – to cover Haifa and the entire North, including Lebanon. In the South, we have half a crew, sharing half with Arabic Television. In Jerusalem, we have three

daytime crews plus an evening standby crew, as well as our van; but the van is not allowed to leave town before 3 p.m. This means there are very few events it can cover and return to Jerusalem in time to prepare the film for broadcast."

The van itself, misrepresented to viewers as "our mobile unit," is hardly mobile at all. The camera it deploys is tethered to it by an umbilicus of cable, making it a static studio that moves, occasionally, from place to place. "We can use it to interview an arriving VIP at Ben-Gurion Airport," notes Karpin wryly, "but if the VIP got up and left the room and was assassinated outside the door, ITV couldn't cover it." The cable wouldn't reach.

A RECENT case where the ITV cable didn't reach was the source of the latest round of newsroom sanctions. When Prime Minister Shimon Peres visited Hebron last September, Karpin chose to use film shot by a foreign TV crew (NBC), thus breaking a longstanding status quo agreement with ITV technicians.

The technicians retaliated by blacking out *Mabat* a week later for 40 seconds, in support of their demand that he be fired. They also threatened to stop the broadcast if Karpin entered the studio during air time which, as editor, he did the next night. The technicians immediately pulled the plug on the nation, blacking out more than half of *Mabat*.

Karpin was last week acquitted by a disciplinary tribunal for allegedly violating the agreement. Technician works committee chairman Hezi Koka was temporarily suspended and then censured two weeks ago for another series of blackouts involving a similar issue: Karpin's use of a foreign film report on the Moslem riot on the Temple Mount during a visit by the Knesset Interior Committee in January.

The first time the technicians blacked out *Mabat*, recalls Karpin, "was at the end of 1983, over a foreign report on the exchange of terrorists for our prisoners of war. That time, they cut the *Mabat* broadcast and replaced it with a slide, declaring a work dispute, and they kept it on the screen for the rest of the evening, until midnight and

*Haikva*. [Broadcasting Authority Director-General Uri] Porat and other top management officials couldn't persuade them to resume broadcasting. This set the tone for what has followed, which is anarchy."

Despite his ongoing confrontation with the technicians, Karpin doesn't negate their right to labour action, just their timing. "The television has to broadcast. It's the law. The technicians say their union obliges them not to broadcast when they don't want to. But you can't do this at 8.55 p.m. Let them have sanctions; but do so legally. If they must strike, then let them declare a work dispute and go on strike; but not in the middle of a broadcast."

Karpin intends to apply for a second three-year term when his present incumbency expires in August. He expects to oversee the long-delayed transition to ENG "over the next year or so." If the changeover does not occur, despite the overriding fiscal and professional necessity, then, Karpin declares, "ITV would have no right to exist. It would be like a company manufacturing at a loss, because its workers refuse to adopt modern means of production."

BUT NO Israeli labour dispute is that simple. In fact, says technician leader Koka, "ENG is not the central issue at all. We would love to adopt the new system; but since it will require harder work and more hours to master, we feel we should get more pay for it. The TV journalists' pay is linked to that of the print journalists, the administrative workers have linkage – only we are tied down to the national labour agreement."

Koka, 35, explains that the technicians, despite providing the services necessary to keep TV and radio on the air, are the lowest paid workers in the Broadcasting Authority. "I have 15 years seniority and I earn less basic salary than a starting clerk. The management says I can work up to 150 hours overtime a month, but I don't want it. I want to be able to earn a decent living on my salary, without having to kill myself doing overtime; most of which is eaten up anyway by income tax."

Under the Broadcasting Authority Law, the Treasury controls the number of technicians' jobs and their wage scale. The number has remained fixed at 130 for years, says Koka, while the work has expanded. "We are chronically short-staffed and are thus forced into doing more hours of overtime, while our basic salary keeps eroding." (This is perhaps ingenuous. The technicians, like other staffers, have had a guaranteed overtime quotient built into their salaries, which recent budget cuts have brought under closer scrutiny.)

This, said Koka, is the basis of the technicians' refusal to adopt ENG or to allow the use of ENG-produced material from outside sources. They are holding out, using ENG as their only bargaining chip to force what they claim is a fair wage increment. "The money we would save by going over to ENG would pay for the wage hike, but money isn't the issue. The Broadcasting Authority is in the black, but it can't make deals. Only the Treasury can – but it won't do a thing unless it's prompted by the IBA managing committee."

But isn't blacking out the news going too far?

"We don't like it, but it's our only weapon," Koka replies. "We really have no choice. The Israeli economy made us this way, but it's not such a bad measure, as sanctions go in this country. Did anyone prosecute the nurses when they struck, or the doctors? Their actions were life-threatening. Ours might even foster life – check the birth rate nine months after the last blackout."

Late last week the technicians announced work-to-rule sanctions, in another effort to force management to act on their behalf before the Treasury. They declared they would work no more than the permitted overtime, a 12-hour per week ceiling that would have disrupted the filming of the locally-produced *Allegro* musical quiz show and the recording of songs for the pre-Eurovision song contest.

Responding to the threat, IBA deputy chairman David Admon met with the technicians and promised to examine their wage demands. The technicians called off their work-to-rule on Sunday, giving Admon two

weeks grace to come up with a solution. "The whole system is crazy," declares Koka. "A TV head without authority has no business being there. They say the managing committee is just a bunch of politicians on the make, the journalists are all leftists and we're nothing but terrorists. It's crazy."

THE TECHNICIANS' disruptions of the news is only the most visible symptom of a disease affecting the entire organism of ITV: mismanagement. "The bureaucracy is a swollen cancer that is eating up Israel Television," according to producer Ya'akov Eisenman.

Eisenman, 40, came up through the ranks – working as a photographer (and as such, a technician) and film editor, before directing short films and eventually becoming the producer of *Pillar of Fire*, the 19-segment series on Zionism.

"In the beginning," says Eisenman – now a member of the journalists and production workers committee – "a producer had authority. Today, he can't decide anything. If I want to call a cab, it has to be in the production budget, and the procedure involves two clerks: one to fill out the order slip and one to order the cab. If we've finished work at 2 a.m. and I don't have a chit filled out in advance, I'm on my own."

The producer is the long arm of the executive; in effect, the executive in the field. He is responsible for all aspects of the production, from the smallest promotional announcement to the biggest series. "Television is basically the antithesis of public administration," explains Eisenman. "In public administration, there is a separation between the source of funds and those who spend it. At ITV, the producer combines both roles, and this necessitates a corruption of the production process."

"The effect is a 'snowball system,' whereby a producer underestimates his budget – on purpose – to get his idea approved; then once production begins, its cost snowballs. Any decision by a producer entails money, and if he isn't responsible, the production doesn't work out. But the actual decision to spend is out of the producer's hands – he has the responsibility, but not the authority."

"Under the existing system, the budget people interfere on every level and the producers have to inflate or deflate costs to get the production going, operating on the assumption by management that they are criminals."

The dearth of local programming is the result, says Eisenman. "They say there's no budget for local dramas or documentaries. But there is money – there's just a lack of direction, poor management. Take the simple matter of calendar events – holidays and memorials that occur regularly each year, and thus should come as no surprise. But here, they do; and instead of preparing special local productions months in advance, they scurry around at the last minute and end up screening some re-run."

"Why not have producers working half a year or a year in advance, like in other countries? Bad management, that's why. A blatant example is the whole scandal over ENG. In the UK, in Germany, in the U.S. – the unions in these countries all struggled against ENG, but their objections were overcome. Here it's being going on for eight years. Why? Management."

FROM the producer's point of view, "The IBA managing committee is criminal, because it doesn't fulfil the law." The Broadcasting Authority Law requires it, among other tasks, to broadcast programmes "reflecting the life, struggle, creative effort and achievements of the state...strengthening the ties with, and deepening the knowledge of, the Jewish heritage and its values." Instead, decries Eisenman, "We have one *Dallas* or another, with a lot of boring talk shows, some news, and an original local drama every two years or so. This is a crime. We've got stories in this country that make the 'best' Westerns pale in comparison."

Even *Pillar of Fire*, the landmark documentary that earned accolades for its vivid portrayal of Zionist history, had to fight to be born.

"We did it despite ITV's lack of self-confidence in our ability to create," says Eisenman, who has just completed producing the full 19-part version in English for the Jewish Agency, to be shown in the U.S.,

and a seven-part English version for British television's Channel 4.

"Good TV is critical. It asks tough questions. What politician wants it? Not only is there no drama, there's no satire today," concludes Eisenman. "It's all *pareve*."

**THE ANARCHY** at ITV has finally got so out of hand that the attorney general himself has urged an amendment to the Broadcasting Authority Law to give management a weapon to use against mutinous employees who recognize no executive command.

Defiance of directives is par for the course at ITV. Unless someone is actually caught in a criminal act or provocative sabotage, there's little likelihood of dismissal. At worst, an employee may be suspended, which is often more trouble than it's worth, as in the recent fracas involving Hezi Koka, whose suspension was revoked by the Jerusalem Labour Court and who is appealing his censure before the Supreme Court.

Threats by the IBA management committee, collectively and individually, to close down the television, have been treated as so much hogwash by union leaders who are perfectly aware there is no legal provision for closure.

Moreover, they are fairly confident that such a provision would never see the light of day, because Knesset members – confronted with having to decide on pulling away the props from one of their most important platforms – would probably vote against such an amendment.

Last year, MK David Libai presented Education Minister Yitzhak Navon with a draft for new legislation, whose essential purpose was to do away with the IBA's cumbersome 31-member plenum. Instead, he proposed to increase the seven-member management committee to a governing board of 12. Last month Libai, together with MKs Rafi Edri and Uzi Baram, tabled a proposal to this effect to the Knesset. It has yet to pass a first reading.

Broadcasting Authority Director-General Uri Porat is not so much bothered by the size of the plenum as by the definition of Article 19 of the Broadcasting Law, which *inter alia* lists among the functions of the management committee "to consider and decide upon matters of the Broadcasting Service."

The current management committee is completing the second year in a three-year term of office. Throughout its period of tenure, it has consistently poked its finger into areas which Porat maintains should be left solely to professionals. He draws the analogy with Security Council Resolution 242. The crucial word *all* is missing from the text of the UN resolution pertaining to the territories and from the 19th article of the Broadcasting Law. The management committee, according to Porat, is not qualified to decide upon *all* matters of the Broadcasting Service, nor does the letter of the law give it that licence.

Worse still, the law does not properly define the powers of the executive hierarchy. The director-general, who in the final analysis has to bear the brunt of anything that goes wrong, does not have a sign on his wall announcing that the buck stops here. In fact, Article 23c of the Broadcasting Authority Law dictates that the director-general shall act in accordance with the decisions and directives of the management committee.

To Porat, this is a ludicrous situation. In his perception, the director-general serves a dual role as both editor-in-chief and head of management. He must be free to make both editorial and managerial decisions without having to refer to a group of people whose reactions will stem from their political affiliations.

**THE INVOLVEMENT** of the management committee in the day-to-day affairs of the IBA, argues Porat, seriously erodes efficiency. Department heads waste so much time reporting to them, says Porat, that they don't have enough hours in the day to attend to their jobs.

If the director-general is limited by law, the directors of radio and television are even more constrained, a factor that causes Porat to repeatedly ask, "Who's running things around here – the workers or the management?"

Although he genuinely does not want to bolt the door on Television House, he welcomes the idea of an amendment – one is being drafted by a panel of legal experts recently appointed by Navon – that would allow for closure. Porat hopes that the amendment will be broadly based and not confined solely to

procedures for closing and reopening ITV.

**BUT THE IBA'S** legal adviser, Natan Cohen, who sits on the four-member panel headed by Dr. Shimon Shitrit of the Hebrew University's Law Faculty, says that the panel has been charged only with outlining the procedures for closing and reopening Israel Television. The text must clearly state under what conditions broadcasts are to be suspended and who has the right to order such suspension, and when to resume them.

For Cohen, who had a role in drafting the 1965 Broadcasting Authority Law, sitting on the Shitrit panel is a traumatic experience. A journalist with Israel Radio since 1953, Cohen rose to become chief programming editor. In 1961, he was sent on loan to the Justice Ministry where he spent two years as spokesman for Justice Minister Dov Yosef. In view of his law degree and his combined experience in radio and at the Justice Ministry, he was asked by Hanoach Givton, then director of Israel Radio (and subsequently the first director-general of the IBA) to help draft the legislation.

The first reading was in 1964. The law was enacted a year later; and the IBA as an independent body came into being in June 1965. The law was amended in 1968, with the inauguration of television broadcasts in this country.

Porat laments that the amendment vis-à-vis television should have waited until a proper model for ITV had been established, but Cohen notes that the model was there all along, because Israeli law is based on that of England, "which is the mother of all broadcasting legislation."

Referring to the lacuna in Israeli law, Cohen contends that legislators in no other country have given any thought to closing up. "Only when affairs at the IBA deteriorated to their present level did the question arise," he says. He never imagined when helping to draft the law in 1964 that he would be called to his present task. Taking it for granted that sooner or later the amendment will be passed, Cohen says, "I hope it's a law we never have to use."

**ITV DIRECTOR** Ya'ir Aloni, who has been with ITV since its incep-

tion, can't remember a director-general who didn't want to be in all places at all times, so that he could have a say in everything. If that's the task of the director-general, observes Aloni, "What exactly is the function of the ITV director?"

One of the most crucial problems from Aloni's standpoint is the proper division of labour. He believes that management should be better trained and that it should be in a position to evaluate its targets and its needs. Every now and again, especially when the IBA is strapped for money, talk erupts in the management committee and the plenum about how top-heavy ITV is with creative staff. The question is invariably asked: "Who needs so many producers, directors and moderators for a channel that provides only four hours of broadcasting per night - at least half of which is imported?"

The people who pose this question, says Aloni, don't always know what goes into making a programme, let alone a single news item. But even if they are partially right, who can determine what size staff-load ITV should be carrying? There's never been a policy decision, according to Aloni, on the order of priorities to be given to news, current affairs, music, entertainment, drama, sport, documentaries, children's programmes, local productions, consumerism, foreign language imports and so forth.

All these subjects are covered one way or another on ITV, but without specific policy guidelines. "After 18 years," says Aloni, "we still haven't decided exactly what we want out of television and what it takes in terms of people and equipment to produce what we want."

**IBA CHAIRMAN** Micha Yinon attributes much of the conflict to the frictions between technicians and journalists. The technicians complain that the journalists get more money and more limelight for less work. The technicians believe that

they are entitled to better salaries, because without them, there are no programmes. "They've proved themselves right about that on more than one occasion," says Yinon wryly.

**Money is not the single root of the problem.** Status also comes into play. In the cinema, Aloni underscores, lighting and sound have been upgraded from the realm of the technical to the creative category. In television, at least as far as Israel is concerned, this is not yet the case, and the technicians whose artistic contributions are not recognized as such, are understandably frustrated.

It's all part of a vicious circle. The technicians are jealous of the journalists, who in turn are resentful of the technicians. Some of them get a chance to vent their anger at the technicians when they move into management roles. This is what Yinon is talking about when he speaks of the gulf in labour relations. The Histadrut, he adds, is not making life any easier. Instead of seeking a compromise, it puts its full weight behind the technicians in disputes about Sabbath and night work, mobile units and any number of other work disputes, which crop up from time to time.

Yinon would not object to raising technicians' salaries, but this cannot be done without Treasury approval, which so far has not been forthcoming.

**HERE TOO,** there is a legal absurdity. The Treasury no longer contributes to the IBA budget, although it is the receiver of IBA revenues, which it is reluctant to turn over to where they rightfully belong. Both Yinon and Porat advocate change in legislation related to the IBA budget. Neither can see any valid reason for the numerous approvals required on a quarterly basis for the budget.

For some months now, the IBA has been operating on an un-

approved budget; the Knesset Finance Committee is meting out its own weird form of punishment for its perception of the IBAs sins of omission in news coverage.

Yinon, himself a lawyer, emphasizes the anomaly in a law that, on the one hand states that the authority should provide broadcasts as a national service and, on the other, says that in order to broadcast, it must get approval for its budget. He agrees that the Knesset should approve licence fees, but contends that if the IBA does not ask the Treasury for finance, there is no logic in having the Knesset or the Treasury approve its budget.

**THOUGH** not convinced that changes in the law will provide a panacea for what ails ITV, Yinon thinks that it is high time that amendments were introduced into broadcasting legislation. Amendments which Yinon would like to see include: The right of ITV to be financed by commercials (as distinct from sponsorships); the replacement of the management committee and plenum by a 15-member board of governors; the appointment of a director-general by the management committee (or board of governors) to be approved by the government instead of the other way around; a clear definition of the powers vested in the director-general; abolition of tenure for creative employees, who would in future be hired on a contractual basis at higher rates of pay; specific procedures for the closing and reopening of television.

The various labour factions have accused the IBA hierarchy of politicization. Yinon does not deny that it exists, nor does he think that it is unhealthy - providing that the governing body represents a diverse political mix.

"There is no such animal as a person who is politically neutral," he says. "Political pressure is legitimate. The trick is to know how to deal with it." □

ISRAEL

PERES PROMISES WOMAN IN CABINET AFTER ROTATION

Jerusalem THE JERUSALEM POST in English 12 Mar 86 p 3

[Article by Joanna Yehiel]

[Text] Prime Minister Peres admitted on Monday night that he is to blame for the fact that there is no woman in the cabinet, and he promised to attempt to rectify the situation after the rotation.

He also promised a meeting of women in the Knesset that, "for the good of society as a whole," something would be done about the lack of equality of women.

The Council for the Advancement of the Status of Women, under its new chairwoman, Dr. Marilyn Safir, was meeting in the Knesset to mark International Women's Day.

Safir, head of women's studies at Haifa University and a psychologist, reported that her research showed that boys and girls in Israel do equally well in intelligence tests until age nine, but after that the boys pull significantly ahead in all fields of testing - verbal, mathematical and spatial.

Dr. Baruch Nevo, head of the national board for university entrance examinations, told the women that the gap between male and female candidates had grown in the last 30 years, with women falling increasingly behind.

The fault, he pointed out, could be with the type of entrance exam now used (multiple choice), in which speed is essential for success. Women, he said, answer fewer questions in the time allotted, but get more of them right.

Shoshana Ben-Zvi Meyer, an educator, said that parents and teachers are largely to blame for perpetuating sexual stereotypes.

The council recommended more research on male and female educational achievements; initiatives aimed at increasing equality of achievement; encouraging those who create teaching materials to change their stereotyped images of men and women; seeking assistance from the media in these aims.

Dr. Nitza Shapira Libai, the prime minister's

adviser on the status of women, said that Peres had agreed to set up a committee to examine the causes of the differences in educational achievements.

Prof. Alice Shalvi, head of the Women's Network, and a council member, commented: "The time for listening to research is over. The time for action has come."

In case anyone should take Peres's promise for a woman in the cabinet seriously, one has only to look at the lack of women at this week's Herut conference to see how few there are in any positions of power there.

In the Knesset 10 years ago, there were nine women MKs; now there are 10. As Knesset Speaker Shlomo Hillel remarked recently, "At this rate, we'll need 500 years until the imbalance is corrected."

Ten years ago, during International Women's Year, MK Ora Namir prevailed upon then prime minister Rabin to establish a commission on the status of women. After two years' work, the commission submitted a comprehensive report and over 340 proposals for improving women's status. In the eight years since that report was submitted, nothing has been done.

At a meeting of the Women's Network with all 10 women MKs recently, Shulamit Aloni and Geula Cohen were for once in agreement when they said that only greater involvement by women in the centres of power and decision-making could change women's status.

"Women who go into politics shouldn't limit themselves to issues concerning the status of women," Cohen said. "Defence, foreign policy, and economics aren't matters for men only."

Aloni added: "Women do much of the day to day work of the political parties, as volunteers. But the rewards in terms of prestige, power and decision-making go to the men."

ISRAEL

NATURALIZATION OF ISRAELIS IN UNITED STATES

Tel Aviv MA'ARIV in Hebrew 19 Feb 86 p 5

[Text] A study, conducted by a university in Washington, reveals that in the past 35 years 110,000 Israelis have become naturalized citizens.

The study is based on figures of the Immigration and Naturalization Service and refers to Israelis who have arrived in the United States since 1951.

Most of the Israelis came to the United States between 1975 and 1980. Their average income is \$19,000 annually. This average is \$4,500 higher than that of immigrants from other countries, and is \$2,000 higher than that of the average native American.

The study, conducted by Yehuda Luqash of the American University in Washington, found that 78 percent of the Israelis who received American citizenship are high school graduates. About one third are college graduates.

Luqash estimates that the number of Israelis who are in the United States illegally is only 100,000. It should be pointed out that Jewish and Israeli institutions, including the Jewish Agency, quote a much higher figure.

Data of the Immigration and Naturalization Service shows that in 1984, 144,000 Israelis received visas. Of those 84,000 were tourists, 1,732 businessmen, 6,400 students, and about 2,000 were government workers, including diplomats and other emissaries. In 1951, 200 Israeli government officials came to the United States

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ISRAEL

COMMISSIONER WARNS OF NATIONAL WATER EMERGENCY

Jerusalem THE JERUSALEM POST in English 10 Mar 86 p 6

[Article by Yitzhak Oked]

[Text] TEL AVIV. - Because of the small quantities of rain this winter Water Commissioner Zemach Yishai considers declaring a national water emergency. A reduction of about 10 per cent in the quotas for agriculture, industry and city use is planned.

With one third of March over and the weatherman forecasting dry weather till Thursday afternoon, Yishai is becoming pessimistic about heavy rains still falling this winter.

In an interview with *The Jerusalem Post* Yishai said that unless there are rains before April, he may have to increase the cuts in the quota from 10 to 15 per cent or more.

In some parts of the country the cuts may even be harsher during the summer months. Three areas which will probably be affected the most are the Carmel coastal area, Western Galilee and the Golan Heights, where the quota may be cut by 50 per cent. These areas are supplied not by the national water carrier but by wells, and the levels of these wells have become dangerously low. "We simply have no reserves of water to give to these areas," Yishai said.

Critics of Yishai say that a 10 per cent cut does not take into consideration the excessive and above-quota use of water during the dry winter months, which means that in reality the cuts will be less than 10 per cent. Yishai counters that there has not been a great overuse of water quotas this winter.

In years with low rainfall the Water Commissioner is likely to come under crossfire. The farmers, on one side, demand bigger quotas, while

conservationists call for his resignation because he is not cutting down on water quotas.

One of the strongest opponents to Yishai's policies is former MK Yossef Tamir, now chairman of the Life and Environment umbrella organization on ecology. Tamir claims that unless immediate steps are taken, the next generation will simply not have enough drinking water. Tamir says that the Water Commissioner is not using his extensive powers wisely.

Yishai, a former moshavnik himself, is a soft-spoken, reserved person, who never seems to lose his temper. He admits that the lawmakers gave him a lot of power. "It would be easy for me to dictate to the farmers how much water to use by issuing regulations. But the trick is to persuade them to use less water," he says.

"I have been in office for five years and what I have tried to do is regulate the yearly use of our present water potential and not to overuse it, so that coming generations will also have water."

He gets angry at the mention of critics who say he is not doing anything to reduce the country's hydrological overdraft. "I'm not God, only he can replenish our overdrawn water resources with several good years of rain."

He is also critical of those who try to decide on agricultural policies on the basis of the available water: "It is difficult to decide whether to plant citrus trees or not, because of the water they use."

"I have decided upon red lines in

the overuse of water, and it is not easy to keep the farmers from reaching these lines, but it is impossible to cut down on water use in order to pay off the hydrological overdraft."

Yishai tries to sound optimistic about the future. Money is needed to develop additional water resources. According to our long-range plans we are not going to increase the supply of water for farmers above the present level of 1.35 billion cubic metres a year. Just the same, there will be a steady increase in the use of water by the industrial and city sectors, he says.

"Where will this additional water come from? We will soon complete the third water line to the Negev at a cost of \$100 million and will pump an

additional 100m. cubic metres of purified sewage water for agriculture purposes for farmers who will then have to give back 100m. cubic metres of good drinking water.

"Another thing is that I have been in office only five years. Some of my actions will only bear fruit in another five to ten years. For example, I have ordered a halt to pumping water from a number of wells in the coastal region. It will take about 15 years before we will see the results of this restraint and may be able to renew pumping."

The Water Commissioner now holds meetings to discuss the possibility of lowering the price of water in the wake of lower prices of oil and electricity.

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ISRAEL

NEGEV PHOSPHATES DROPPING; OFFICIALS BACK ZOHAR DEVELOPMENT

Tel Aviv DAVAR in Hebrew 19 Feb 86 p 5

[Text] By the end of the decade all phosphate mines in the Negev will have been depleted. This is the estimate of senior officials at Israel Chemicals who say that, in view of the expected reduction in mining the mineral in the Negev, Israel should already start intensive development of the phosphate deposits which have recently been discovered in the Zohar Field in the 'Arad Valley.

The rich phosphate deposits in the Zohar Field were discovered in the process of a country wide survey to locate the mineral. It turned out that they extend over an area of about 100 sq km from west of 'Arad to Tel-Malhata. Available geological information points to reserves of about 180 million (metric) tons of phosphates of a quality and layer structure which are superior to those in the Negev.

Moreover, the country wide phosphate survey, which has been undertaken in the last 5 years, states that there is probably no other site where there are such deposits of such high quality phosphate that makes it feasible to mine. According to estimates of Negev Phosphates, which is now in the process of obtaining the proper licenses to develop the field, it is possible to construct a large industrial complex with an annual production of about 6 million tons of raw material. This production system, capable of supplying its own thermal energy for all processes, will employ, according to estimates, about 1,000 workers for about 25 years.

Senior officials at Israel Chemicals stress that Israel has to develop the Zohar Field deposits, especially in view of Jordan's activities in developing the phosphate deposits within her borders. The phosphate fields are Jordan's primary foreign currency source.

It should be pointed out that Negev Phosphates increased its phosphate exports by about 7 percent in each of the last 2 years. Thus its share in the world market has grown to 4.7 percent.

In a tour conducted by the board of directors of the company in its Negev facility, the general manager, Dani Yaqir, said that the company increased its exports in 1985 by 140,000 (metric) tons, from 2.06 million in 1984 to 2.2

million tons in 1985. This happened in a year when world demand for phosphates decreased by 2 percent.

Yaqir stressed that Negev Phosphates is among the very few companies in this industry which have substantially increased their exports in the past 2 years. Sales of phosphoric acid increased from 19,000 tons to 25,000 tons. About 20 percent of the product is sold to the United States and the rest is exported to Europe. The general manager estimates that contracts, signed recently with European producers, will bring about the processing of substantially more phosphates and the exports thereof, and will increase the involvement of his company in the European market.

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ISRAEL

ROBOT DISMANTLES EXPLOSIVE DEVICES FOR POLICE

Jerusalem THE JERUSALEM POST in English 10 Mar 86 p 3

[Article by Barbara Amouyal: "Israeli-Made Robot Sapper Earns Place in Police Force"]

[Text]

The Police Bomb Disposal Unit yesterday unveiled "Bambi," the first Israeli-made robot designed to neutralize explosive devices. The 70-kilo robot is manufactured by Tel Aviv-based Sivan Century 21 and can be operated without cables or on-site human direction.

Bambi was designed by police engineers after three years of research to incorporate what the chief sapper, Deputy Commander Shlomo Aharonishky, described as "uniquely Israeli technical needs which, until now, could not be handled by imported models."

Bambi, according to police sappers, performs all the functions of a large robot without requiring a special vehicle to transport it. The robot is 83 cm. long, 56 cm. wide, and 70 cm. tall. It travels approximately 30 metres per minute and is controlled by a wireless transmitter.

Bambi has two cameras for eyes

and a built-in closed-circuit TV camera on its forehead so that sappers can direct its moves safely from a distance. The robot can climb steps and navigate crevices 20 cm. deep. It is equipped with an automatic rifle that can be fired to detonate bombs.

Inspector Yehuda Shalom, a mechanical engineer who helped develop the robot, told *The Jerusalem Post* that Bambi could very well render popular Irish and British models obsolete. "It's very lightweight and doesn't require special and cumbersome equipment to operate. Also, it sells for half the price of other robots," he said.

Bambi carries a \$20,000 price-tag, and Israeli police have already purchased 10 of them. "We hope to equip every station with a Bambi in time," said Aharonishky. "It all depends on our budget."

Aharonishky said Bambi would greatly reduce the danger and stress faced by sappers.

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ISRAEL

INNOVATIVE RADIO MAY SAVE LIVES BY GUIDING RESCUERS

Jerusalem THE JERUSALEM POST in English 12 Mar 86 p 6

[Article by Joshua Brilliant]

[Text] TEL AVIV. - Pilots sent out on operations behind enemy lines may now count on a small radio, which will switch on automatically should they be hit and broadcast their exact location, even if they are unconscious.

The aircrew rescue radio was presented by Tadiran during a tour of aviation reporters here yesterday. It can also be used to reach crews of ships in trouble or explorers lost in the jungle.

The radio, called PRC-434, is activated automatically once a pilot bails out. High-flying aircraft will send "queries" to the radio, which will reply with signals enabling computers to pinpoint the exact location of the broadcast. The reply signal will be relayed to helicopters equipped with special antennas able to pick up the same broadcasts from short range as they approach the target. The idea is to enable the rescue helicopter to fly directly to the downed pilot, and thus reduce the risk that the rescue team, too, greater distance.

The PRC-434 will reply to the signals sent to it even if the pilot is slumped over the radio, but if the user is able to straighten the antenna and hold it one metre above ground, the broadcast. The reply signal the broadcast will carry to a much

greater distance.

The PRC-434 is also equipped with a small screen which will light up when contacted - informing the pilot that the rescue teams are searching for him.

A microphone and receiver built into the radio will provide for short-range vocal communication, so that the rescue team can verify the survivor's identity and not fall into an enemy trap, should the enemy get to the receiver first.

The PRC-434 is superior to the currently used device, which gives the direction to the radio - but not the exact location.

Tadiran has been working on the project for several years and has offered it to Nato officials, but so far no firm orders have been received.

Tadiran also showed photographs of screens with a three-dimensional picture of terrain. These make it possible to include data on enemy ground-to-air missiles, including a mapping of the area covered by enemy radar.

Describing the company's overall operations, Isaac Raviv, vice president for marketing and sales, said he believed his company will be the only one to sell tank radios to the U.S. Army. Tadiran is now supplying the VRC-12 radios on the basis of a \$68 million contract.

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## SHARON ACCUSED OF ASSAULT ON TWO ARAB HUNTERS

Jerusalem THE JERUSALEM POST in English 11 Mar 86 p 2

[Article by Asher Wallfish]

[Text]

The police opened a file for assault and battery against Industry and Commerce Minister Ariel Sharon two weeks ago, in connection with an alleged attack on two Israeli Arabs who were out hunting 18 months ago.

The two are said to have been shooting rabbits with a licensed hunting rifle and a valid permit, and to have been chased off a section of unfenced and uncultivated land by a security guard employed at Sharon's Negev ranch.

One of the plaintiffs, Feisal Yunis, of Arara village in the Triangle, said he was leaving the area when Sharon appeared in a jeep, stopped him, and demanded his rifle.

Sharon allegedly stunned him with a blow over the left eye, drawing blood, and then kicked him twice, in the testicles and in the ribs. Yunis charged that Sharon told him: "I will finish you off."

Sharon later allegedly assaulted Yunis's companion, likewise drawing blood. It is alleged that Sharon confiscated the hunting rifles and ammunition.

When the hunters went to Sderot police station to complain, they were reportedly told their complaint could not be accepted because of Sharon's parliamentary immunity.

Yunis gave sworn testimony before a lawyer at the offices of the Citizens Rights Movement in the Knesset last June. When two CRM members, Yossi Sarid and Ran

Cohen, asked Attorney-General Yitzhak Zamir to take up the Arab hunters' complaint, he referred them back to the police at a higher level and they then wrote to Police Inspector-General David Kraus.

Police investigators recently began taking testimony from Yunis and his fellow-hunter.

Cohen and Sarid submitted to Zamir that Sharon's alleged behaviour could not possibly be covered by his parliamentary immunity.

Sharon was quoted on TV's Mabat newsreel last night as saying that the complaint was filed a year-and-a-half late, and only at the initiative of "left-wing Knesset members."

Mabat reported that he had said that Yunis and his friend had been hunting on his property, that he had confiscated their weapons only after they refused to hand them over to a security man, and that he himself had refrained from filing a complaint with police because the two men had pleaded with him not to do so.

Sharon also reportedly told Mabat that he regards as grave the leaking of details on an on-going police investigation, especially while "politically significant events are taking place."

The newsreel quoted a police spokesman as saying that Sharon had not been questioned by the police on the matter, but had replied in writing to questions sent to him.

ISRAEL

IMF RECOMMENDS EXCHANGE RATE FLUCTUATION

Jerusalem THE JERUSALEM POST in English 12 Mar 86 p 1

[Article by Avi Temkin]

[Text] The International Monetary Fund has recommended that the Israel government announce annual inflation targets, and then adjust wages, exchange rates and the budget accordingly.

An interim report on Israel's economy drafted by an IMF delegation has rejected a major devaluation of the shekel, but called for somewhat greater fluctuations of the exchange rate. The report recommends a further restriction in the linkages of wages and financial assets to foreign currencies or the Consumer Price

Index.

Treasury Director-General Emmanuel Sharon said yesterday the government will consider the recommendations on their merits. He said the comments made by the delegation members represent an objective evaluation by professional economists who understand the Israeli economy.

He added that his talks with delegation members had indicated that the fund's final report would praise the achievements of the government's economic plan. The delegation left Israel on Monday.

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ISRAEL

ISRAEL TO DISREGARD IMF RECOMMENDATIONS

Jerusalem THE JERUSALEM POST in English 12 Mar 86 p 3

[Article by Avi Temkin]

[Text] . The International Monetary Fund's latest recommendations to Israel are likely to be ignored.

The fund's delegation which recently visited here urged that Israel's rate of exchange should be freer. It added that the recent drop in interest rates had been premature. Both of these views are likely to be disregarded.

Disregard for IMF economic opinions, however, is nothing new. In 1985 Israel introduced an economic plan that did not follow the usual policy mix recommended by the fund. The plan included some elements that the conservative IMF would have approved, like the large cut in the government deficit and the reduction in subsidies. But its main feature, the freezing of the rate of exchange, was a move that the fund experts who visited Israel many times did not propose. Neither did they raise the possibility of a price-wage freeze of the kind eventually adopted.

Nor is Israel alone in following its own economic advice. In 1985, Argentina introduced an economic plan almost identical to Israel's. The Austral plan was so named because it was based on the introduction of a new currency of that name, and featured an exchange rate pegged to the dollar. The fund gave its approval only after it was presented with a *fait accompli*.

Last week, Brazil followed Israel and Argentina

with a similar scheme. Its new currency is the cruzado, and prices, wages and exchange rates are frozen. Again the IMF accepted the plan, but only after Brazilian President Jose Sarney made it clear that he would not submit his policy to the scrutiny of the fund. Given the fund's fondness for austerity and unemployment, Sarney's refusal is no surprise.

Sarney in fact had much more to learn from the Israeli and Argentinian experiences than from the fund's advice. The Israeli and Argentinian inflation rates were once out of control, as Brazil's is today. Now they are running at 1 to 3 per cent a month. Nothing succeeds like success.

Even Western commercial banks, which usually closely follow IMF views on debtor countries, are striking their own course. One day after the Brazilian plan was announced, they agreed to cut the interest rates on that country's debt. This will save Brazil \$320 million in 1986. To keep up appearances, the banks asked Jacques de Larosiere, the fund's managing director, for his approval of the Brazilian policy. The director tacitly endorsed it.

The moral of the story is that the fund should not be the ultimate arbiter of economic policy. Israel lowered its inflation rate despite the fund's advice, and will probably continue to do so.

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ISRAEL

FOREIGN CURRENCY DEPOSITS ENCOURAGED BY TAX-EXEMPT ACCOUNTS

Jerusalem THE JERUSALEM POST (SUPPLEMENT) in English 12 Mar 86 p 12

[Article by Chip Nobil]

[Text]

IT SEEMS funny to describe Israel as a "Jewish offshore tax haven." Yet, for foreign residents depositing money in tax-exempt foreign currency accounts (*patah*), Israel is indeed a Jewish Cayman Islands.

*Patah* accounts are the primary investment instruments for foreign depositors. They can be opened in any of the major currencies, as well as in mixed currencies, and their interest rates, either fixed or floating, are based on Eurocurrency rates. According to the Bank of Israel, there are today between \$6.5 and \$7 billion held in these accounts.

Foreign residents deposit their money in Israeli banks for a number of reasons, including Zionism, financial security and foreign business and tax regulations. No one debates the importance of these accounts in the development of the Israeli economy.

Ten per cent of every dollar deposited in *patah* must be deposited in the Bank of Israel, and 30 per cent is deposited in foreign banks with triple A ratings. These accounts are sacred, and no Israeli government has ever tampered with them. "In fact," commented a senior banking official, "these accounts are as secure as if they were insured by America's Federal Deposit Insurance Company." In many cases, *patah* accounts serve as a financial basis for further investments in Israel.

Israeli banks, in addition to the *patah* accounts, offer their customers facilities to handle all currency transactions. They also help their customers invest in the Israeli stock market, and in

various foreign security and financial markets.

It was common in the past for foreigners to invest in the Israeli stock market, but this all came to an end with the 1983 crash. However, according to David Granot, head of Bank Leumi's customer investment department, in the last few months there has been increased foreign activity in the market.

**BANK LEUMI**, Israel's largest bank, is ranked as one of the 100 biggest banks in the world, and has consolidated assets surpassing \$20 billion. The bank has over 300 branches in Israel and 60 offices abroad. With tourist and foreign resident centres located in Jerusalem, Tel Aviv and Haifa, Bank Leumi boasts that over 45 per cent of its deposits are made by foreign residents.

A Bank Leumi subsidiary, Leumi Security in New York, provides advice for foreign investors dealing in the Tel Aviv Stock Exchange. Through Leumi Security, investors can also invest in all major international financial and security markets.

Another Leumi subsidiary, Leumi Security and Investments, manages discretionary accounts for foreign residents. Bank Leumi and Co. Investment Bankers, a merchant bank affiliated with the Leumi Group, provides investment and financial services for investing in local business and industry.

Bank Leumi also provides an extensive range of services for its foreign customers, including banking-by-mail, overnight letter transfers,



multi-currency checkbooks, and telephone orders. The bank is integrated into the Swift computerized banking network.

**BANK HAPOALIM**, Israel's second largest bank with \$19 billion in consolidated assets, is also one of the 100 largest banks in the world. The bank has 340 branches in Israel and 30 offices in 14 countries. Three tourist and foreign resident centres in Netanya, Tel Aviv and Jerusalem provide specialized services for tourists and for foreign residents. The Hapoalim network is spread worldwide and is particularly active in North and South America.

The bank provides guidance and facilities for investing in securities in Israel, and its Foreign Security Centre provides access to various stock exchanges.

Bank Hapoalim provides banking-by-mail, numbered accounts, and statements sent upon request. Dealing rooms in London, New York and Tel Aviv provide communications with bank offices and correspondents for exchange and forward transactions and for international money transfers.

Business ventures and overseas marketing are promoted through companies affiliated with Bank Hapoalim. And Bank Hapoalim's investment company makes equity investment in new and existing Israeli companies.

**ISRAEL DISCOUNT BANK (IDB)**, Israel's third largest bank and ranked 160 in the world, has \$11 billion in total consolidated assets. Part of the IDB Bankholding Corporation, the Israel Discount Bank is linked to banks throughout the world, including the Israel Discount Bank of New York, the 63rd largest bank in the U.S. The Israel Discount Bank provides a full range of services for foreign residents ranging from one-day deposits to facilities that allow customers to deal in the world's leading security and financial markets.

The Israel Discount Bank prides itself on its cosmopolitan image and boasts that its employees speak a number of languages. "We cater to the needs of our customers and com-

ply to their wishes regarding statements, telephone orders, banking-by-mail, telexing and numbered accounts, as long as the safety and confidentiality of our customers are observed," says Dudi Recanati, a deputy general-manager and a director of the Israel Discount Bank. The bank is also integrated into the Swift network.

Through the IDB Bankholding Corporation, the bank is directly connected to Discount Israel Corporation which provides investment possibilities in new and existing industries, with an emphasis on high-tech fields.

**UNITED MIZRAHI BANK**, the fourth largest Israeli bank, has 85 branches in Israel and subsidiaries and offices in 13 foreign cities. The bank's total consolidated assets are just under \$5 billion. Like its larger counterparts, United Mizrahi offers its foreign customers a full range of commercial banking services. In addition to standard *patah* accounts and tourist transactions, the bank is active in security and financial markets worldwide. The bank is also very active in financing and promoting foreign trade.

Through the United Mizrahi Bank for Industry and Agriculture, the bank supplies financing and investment for developing Israeli industries.

"The bank's smaller size allows it to give more personalized and efficient service, particularly when investment guidance is needed," claims Eliezwer Grunwald, director of the United Mizrahi Tourist and Foreign Investor Centre. Mizrahi also complies with customers' wishes regarding telephone orders and telexing statements. The bank is integrated into the Swift network.

**THE FIRST INTERNATIONAL BANK OF ISRAEL**, the country's fifth largest bank, has \$2 billion in consolidated assets. The bank has two subsidiaries in London and Zurich where activity is focused on wholesale banking. First International provides a full range of commercial banking services for foreign residents in Israel.

ISRAEL

## KUPAT HOLIM CLALIT FINANCIAL WOES DISCUSSED

Jerusalem THE JERUSALEM POST in English 14 Mar 86 p 11

[Article by Macabee Dean]

[Text]

*HOW DID the Histadrut's Kupat Holim Clalit run up a debt of some \$525 million? Of this sum, some \$240m. is "acute" – a word used by physicians to indicate a life-threatening situation – since it is short-term and "crushing" due to mushrooming extraordinary high interest rates.*

*Most of this acute debt – with its high interest rates – is owed to Bank Hapoalim, which although it belongs to the Histadrut, has to charge the same interest rates as its competitors.*

*And if another \$200m. of the Sick Fund's debts are not pressing, they still impose a heavy financial burden. Only the remaining \$85m. is causing little anxiety (at present at least) since it is "current," i.e., covered by funds coming in from various sources.*

*In a first of a series of articles, Macabee Dean tries to analyze why Kupat Holim Clalit ran so deep into debt – a debt which is about two-thirds of its current 1985/86 budget of \$647m.*

SINCE it was founded in 1920 by the Histadrut, Kupat Holim has played a triple role: to help Histadrut members stay well and to help them recover if they became sick; to indoctrinate them with its own "true" socialist beliefs; and to adopt a Zionist-National pioneering role (even after the state was founded) by setting up medical facilities in the most outlying districts, as well as providing medical help for new immigrants.

No Histadrut nor Kupat Holim leader has been willing to admit any discrepancy or conflict between these different roles.

That Kupat Holim has played a successful role for the Histadrut in its multiple tasks all these years – especially in its political indoctrination campaign – is indicated by the political attacks it has provoked from Histadrut opponents.

Kupat Holim's main rival has been Herut, which became the core of the present Likud.

At first, Herut tried to fight the Histadrut's Kupat Holim by setting up its own sick fund, the present Kupat Holim Leumit. But the latter was always a midget compared to Clalit and ineffective as a disseminator of political ideologies among the general public. Herut (or the Likud), therefore, changed its tactics: it began to infiltrate into the Histadrut, and today about one quarter of all Histadrut members belong to the Likud.

KUPAT HOLIM's leadership always managed to keep the Likud members in the background, depriving them of any responsible position. Thus, Kupat Holim lost the use of considerable Likud talent which became within the sick fund a vociferous but ineffectual opposition, according to some, and a vociferous and destructive one, according to others. Whatever the truth, Kupat Holim leadership lost some badly needed administration talent. This

probably had some financial repercussions, although they are not measurable. But the pent-up frustrations of the Likud were later to be released when it came to power in 1977 and took charge of the national purse.

Simultaneously, during all these years the Histadrut and Kupat Holim began changing their roles; Kupat Holim today is still an adjunct of the Histadrut, but the Histadrut needs Clalit more than Clalit needs the Histadrut. Today, one can easily imagine a strong Clalit functioning without the Histadrut, but not the opposite situation.

Despite the constant criticism levelled at Clalit – the Israeli national sport is bitching – the fund grew and grew. If 67.7 per cent of all Israelis were members in 1974, today the figure is 85 per cent. And the past decade was not one of large-scale immigration, where each immigrant was automatically inducted, during his “settlement and adjustment period,” into Kupat Holim. Most of the new members are veteran Israelis. And as Clalit grew, so did the Histadrut, for to join Clalit, one has to join the Histadrut. If one could join the sick fund without joining the Histadrut, “pure” Histadrut membership would shrink badly.

This explains, of course, why the Likud favours a national health service – which means nationalizing Clalit – and Labour (or the majority of the Histadrut members) are dead set against it.

THAT THE Histadrut has recognized Kupat Holim's increased importance can be seen from the following figures: if in 1979 the sick fund got about 61 per cent of mem-

bership dues, in 1985 the percentage had risen to 69 per cent.

If membership dues were to rise by, let us say, 85 per cent, Kupat Holim's financial problems would be eased considerably. It would be able to cover its annual deficit (about five per cent of its budget), even though it would not be able to make even slight inroads into its accumulated debt.

But this would deprive the Histadrut of funds, so the probable solution will be to increase the total amount of the membership dues by raising the “ceiling” on which membership dues are imposed.

In effect, this might eventually encourage many members, especially the better off, to seek medical help in other places. And other sources are available: private doctors and perhaps Kupat Holim Maccabi which charges about the same fees, but which uses all of its income for medical purposes (it does not have a “Histadrut” to support).

SO CLALIT is pressuring the government on two fronts. The minor one is to help finance its budget which, as noted, is partially being used to cover many national tasks. This would allow it to keep its membership dues low – and competitive. It wants the government to divert funds from other commitments, or in other words, non-Histadrut members would help support Clalit, since Clalit is doing the government's work.

The second reason for needing government funding is much more important. As noted, Kupat Holim Clalit has never abandoned its pioneering Zionist-National role – which also means garnering political

support. Perhaps it no longer rushes to the geographical frontiers, West Bank settlements (which are not always to Labour's liking), but there are other frontiers within Israel proper.

For example, Kupat Holim wants to accept responsibility for Israel's aging population. Not long ago, the aged accounted for four per cent of the country's population, but it has now passed the 10 per cent mark. And facilities are woefully inadequate. Kupat Holim wants to add 1,000 beds and accept responsibility for medical, nursing and community care. This is the government's job but since Kupat Holim believes it can carry out these tasks better, it wants the government to finance them.

But government aid will not rise; in fact it has fallen from 28.1 per cent of Kupat Holim's total budget in 1977/78 to 9.9 per cent in 1985/86. It may drop to half this sum in the financial year starting this April 1. This loss of funds has hurt Clalit terribly. But in all fairness, the government cutbacks began in the wake of the Yom Kippur War, before the Likud took power in 1977.

But the Likud administration would certainly have been more responsive to Clalit's needs had it not been squeezed out of the fund's affairs. The Likud turned to where it could garner votes, tapping a wave of enthusiasm for the West Bank settlements, and the money went there.

Today, Finance Minister Yitzhak Moda'i, even if he wants to help, can only repeat that saying made famous by one of his predecessors, Yigael Hurvitz: “*Ain lee* – or I'm flat broke.” And he can say this in all honesty.

14 April 1986

## ISRAEL

## DRUZE FIRM EXPORTS UNDERWATER OBSERVATORY TO BAHAMAS

Jerusalem THE JERUSALEM POST in English 11 Mar 86 p 3

[Article by Ya'Acov Friedler]

[Text]

HAIFA. - The biggest Druse export in the history of the community, a 230-ton underwater observatory, is taking shape in Haifa port.

The \$800,000 structure is being built by the Kadmany Brothers Metal Works in Yerka, Western Galilee, for the Coral World marine amusement park in Nassau, Bahamas.

Because the structure is too big to be transported to Haifa in one piece, the firm obtained part of a jetty from the port management for piece by piece on-site assembly.

Due to be completed in a month, the steel observatory, 38 metres high and 21 metres wide will be put into the water by a huge crane and towed out into the bay, where an American seabee-type freighter will float it on deck for the long trip.

The job, which has provided three months of work, is a feather in the cap for the Kadmany firm, which won the international tender against Israeli and foreign competition, including some companies much nearer the West Indian island.

Founded 15 years ago, the Yerka plant employs 250 workers, mostly Druse, though there are some Jews and Arabs. The firm also has two more factories in Beersheba, employing another 200 Jewish and

Arab workers.

One of the owners, Suleiman Kadmany, told *The Jerusalem Post* that they specialize in petro-chemical and power-generating industrial construction.

The firm's turnover is about \$25 million annually, "and we have orders in hand to keep us busy for the next 14 months." They have not been hit by the recession because, "I believe we looked well ahead and planned accordingly," he said.

The Bahamas contract encouraged the firm to concentrate on establishing its export market, and it has now contacted a U.S. marketing firm. "I think you'll hear a lot about our exports to the U.S. in the near future," Kadmany predicted.

The observatory, which dwarfs the famous Eilat observatory, was planned by naval architect Moshe Drimer, of Haifa, and the interior was designed by architect Ben Peleg. Drimer told *The Jerusalem Post* that he would be in Nassau to see the structure put in place and loaded down with 850 tons of ballast, sand and concrete.

With most of the berths at Haifa port vacant for most of the time, the port management had no difficulty in accommodating the work.

/12851

CSO: 4400/141

14 April 1986

## ISRAEL

## CURRENT PETROLEUM PURCHASING DESCRIBED

Tel Aviv HADASHOT in Hebrew 18 Feb 86 p 14

[Text] The chief of the Fuel Commission, Shim'on Gilbo'a, was to leave for Mexico on 19 February in order to sign an agreement on oil purchases. Israel buys 2.4 million tons of oil from Mexico annually. The Paz Company is responsible for the purchase. Under the new agreement, Israel would like to pay for most of the oil in goods and services. Considering the oil glut, it may very well be that Mexico will agree.

On the way Mr Gilbo'a was to meet Norwegian representatives in London. That meeting was also to be attended by Deleq chief Avraham Agmon. The purpose of the meeting was to pressure the Norwegians to lower their prices in accordance with lower world prices. Israel buys from Norway about 750,000 tons a year. Deleq is responsible for purchases from Norway. The agreement was signed in 1984.

The third country with which Israel has an agreement is Egypt, from which it buys 1.7 million tons a year. Purchases from Egypt are done by Paz, Sonol and Deleq. The agreement was signed in 1979. In all, Israel buys about 70 percent of its annual consumption (7 million tons) under such agreements. The rest is bought on the spot market.

Spot market purchases are conducted through traders, working along with the Israeli companies. The main traders are Richco, owned by Mark Rich, Sibro, owned by the Phili brothers, and Black Oil.

The deals are struck as follows. When one of the traders has oil, he notifies the Israeli company with which he works. The company notifies the Fuel Commission, headed by Shim'on Gilbo'a. The Commission meets weekly to discuss purchases for the week. It considers the price, transportation, and refining. If the shipment suits Israel's needs, the trader gets the green light to buy it.

Sometimes one of the fuel companies buys on the spot market a refined product, such as gasoline. This kind of a purchase also requires the approval of the Fuel Commission.

Several years ago the government wanted to establish a company which would do all the purchasing of oil and oil products. A committee was established, headed by Prof Yosef Rom. Its other members were Tamir Agmon, attorney Ya'akov Ne'eman, Aharon Dovrat, and David Shoham. The committee concluded that present conditions justify the continuation of the existing system, with the supervision of the Fuel Commission. Another committee that dealt with the same subject, this one headed by Dr Tzvi Dinshteyn also determined that things should stay as they are.

The average price that Israel now pays is \$16. Mexican oil is the cheapest: heavy oil costs \$13.40; light oil costs \$16.00.

The Egyptian oil costs Israel \$15.50 a barrel. Light oil costs \$18 a barrel. Norwegian oil, referred to as North Sea Light, costs \$24 a barrel.

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CSO: 4423/92

ISRAEL

ISRAEL CHEMICALS PLANS TO STEP UP PROCESSING

Jerusalem THE JERUSALEM POST (SUPPLEMENT) in English 12 Mar 86 p 6

[Text] "ALTHOUGH Israel Chemicals Ltd. (ICL) is a government-sponsored company, we consider ourselves a 'government-owned private enterprise,' run in the best profit-making tradition."

Fortunately for the ICL - which encompasses 11 local companies including Dead Sea Works, Negev Phosphates, Dead Sea Bromine and Bromine Compounds - the "profit-making" tradition its president Yoram Zvi describes will enable it to launch a wide range of plans for expansion.

In the next five years, ICL management is expecting to invest a total of \$500 million in enlarging its facilities and stepping-up the processing of potash, bromine and phosphates, according to senior vice-president Uri S. Wurzbarger and Yehezkel Baron, director of the company's economic division. In addition, they hope to raise some \$200m. in funds in the U.S. and Europe toward their goal.

The two explain that ICL will attempt to drum up capital abroad by selling equity in some of its companies; Dead Sea Works, they note, has been traded for years on the Tel Aviv Stock Exchange. Concerning the Bromine Group and Dead Sea Periclase, the company will sell equity by floating bonds and selling commercial papers, and will also benefit from 85 per cent suppliers' or buyers' credits.

But profits are the real key to ICL's expansion programme, say Wurzbarger and Baron, who expect about \$60m. a year to come from the company's revenue. ICL's ability to put up most of the capital for its own economic growth will, they reason,

be helpful in persuading others to invest.

ICL had a net profit of \$56.4m. in 1984/85, compared to one of only \$39.5m. the previous year. The management expects the company to have a net average profit of at least \$50m. a year during the next five years, and an annual depreciation figure of \$50m., making for a total of \$100m. About \$40m. will be earmarked for paying long-term loans, leaving \$60m. for investment purposes.

ICL had a revenue of \$715.7m. in 1984, which rose to \$764.6m. in 1985. Since 82 per cent of its revenues are in foreign currency, the firm draws up its financial statements in dollars. It has four manufacturing plants abroad - Broomchemie and Amsterdam Fertilizers in Holland, and Stodiek Dunger and Giulini Chemie, in West Germany.

Wurzbarger and Baron note that ICL has not only been much more profitable than other local companies of comparable size, but its profits have been better than similar enterprises in the U.S. and Europe.

While it is impossible to guarantee profits by controlling world prices of minerals, they said they can control production costs. ICL's main efforts are at present concentrated on reducing labour costs - both in the plants and in administration - finding more efficient land haulage and shipping methods (it has a 50 per cent share, together with Zim, in the Negev Star shipping line), cutting inventories, and so on.

As part of its overall effort, ICL is building an 18-kilometre long conveyor belt from Sdom to Mishor Zefa. Thus potash, brought up from

400 metres below sea level at the Dead Sea, will be hauled more cheaply than by the present method of using huge trucks. The conveyor belt system will cost about \$38m.

ICL has a huge hauling company, Mif'alei Tovala, whose trucks are shown on TV when the temperatures of the Negev area are shown. As a matter of fact, its products dominate Israel Railways southern section, so that almost all the income of the railways in this area comes from ICL.

Also considerable emphasis will be placed on making downstream products which command much higher prices on world markets. If a few years ago only about 10 per cent of ICL products were downstream, the percentage today has crept up to about 50 per cent, and will soon be about 60 per cent.

Of the \$500m. ICL is hoping to raise, some \$200m. will be used to enlarge the potash facilities, \$150m. for bromine and \$50m. for increased phosphate production.

/12851

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ISRAEL

LACK OF RESEARCH FUNDS ENDANGERING AERONAUTICS INDUSTRY

Tel Aviv HA'ARETZ in Hebrew 19 Feb 86 p 9

[Text] The annual flight and aeronautics convention was to open at the Hilton Hotel in Tel Aviv and continue at the Technion the next day. The central issues on the agenda were two show projects whose value to aeronautical research in Israel is rather doubtful--Star Wars (whose chief, General Abramson, came to Israel in order to get support for the project) and the Lavi Project.

As far as Star Wars is concerned, it is already clear that Israel will only receive minimal budgets. Activities will also be very restricted and marginal. One of the reasons for that is that the Americans are sensitive to exporting sensitive knowhow. The Pollard affair has probably reinforced this sensitivity. As to the Lavi project, strange as it may sound, many of the scientists on the project are displeased, because the project has consumed large portions of the budget, to the point that it threatens other aeronautical research and development projects in Israel. Thus an area where Israel was in the forefront has been in general retreat.

It should be stressed that the Lavi is being constructed with a somewhat obsolete technology. Today's research and development looks to the future generations of flying machines. If this infrastructure is hurt, it will have serious implications on the future of the aeronautical industry in Israel, these scientists warn.

The school for aeronautical engineering in the Technion was, up to several years ago, the focal point for academic and research activities on the subject. Staff and faculty members were involved with some of the main products of Israel's air industry, such as the Kfir plane, the drones, and other projects which are still secret. Graduates of the school were absorbed in the aeronautical industry both in Israel, and, regrettably, overseas.

In addition to teaching and basic research, there is also applied research going on at the school. This activity takes place in the framework of the Center for Aeronautical Research. The Center has five laboratories: an aerodynamics laboratory, a laboratory for flight control, one for airplane structure, one for propulsion, and the last one is for jet propulsion.

The author chose to concentrate on the flight control laboratory, headed by one of the senior scientists in this field, who is also known throughout the world--Prof Shmu'el Merhav.

The laboratory deals with all aspects of research and development of flight control, starting with the angles of the plane itself, control of flight direction, and navigation control. It does not deal with the fourth aspect, that of air traffic control. The center of the laboratory is a flight simulator, where all experiments needed for the development of new products in the area of flight instrumentation are held. The major area of interest right now is in the man-machine systems, i.e., modifying the instruments for the conditions and optimal needs of the pilot. Researchers are dealing with state of the art technology--artificial intelligence and optical scanning.

Research and development is conducted by a staff of about ten researchers and five assistants (in the past that number was almost double). A high percentage of the projects is financed by overseas concerns. But while in the first few years of its existence (since 1971) most of the funds came from the Defense Ministry, the Air Force, and local industries, in the past 2 years, especially in the last 12 months, the percentage of various government projects has been sharply reduced. At the same time there have been more orders, although not quite enough to make up the difference, from overseas, especially the American Air Force and Navy.

The implication is that vital and sensitive knowhow, bred in Israel, is sold overseas. It is not inconceivable that one day Israel will have to import it for precious foreign currency. This may end up being the fate of a brand new product, now under development by the American Air Force, and which relies, in part, on findings by researchers for flight control in the Technion.

At issue is an advanced, sensorized helmet for pilots. These helmets are equipped with optical or electromagnetic sensors which enable pilots to activate certain systems with but a glance at them. This complex system is capable of taking measurements of the pilot's head relative to the plane, with a rather high degree of accuracy. The data are fed to a radar antenna or to a missile head. In other words, the missile is "enslaved" to the pilot's head, leaving his hands free for flight maneuvers.

Such helmets have already been developed elsewhere in the world and are already on the market (one of them is produced by Shorashim in the Galilee). But none of them is very accurate because of the effect of the pilot's motions while in flight.

In 1982 Prof Merhav proposed to the American Air Force a research program to solve the problem, after he tried, unsuccessfully, to raise local interest in the idea. The American Air Force gave him a 3-year research contract along with \$160,000. At the end of the project the Americans received a well tested method, paving the way to improved helmets. What they were given was an algorithm, fed to a computer, which is capable of correcting, in real time, the pilot's commands. The corrected commands are then fed to the various systems in the plane, with changes in body position taken into account, in this case head positions, caused by vibrations during flight.

This is a way to improve greatly the accuracy of the various systems in the plane in spite of the vibrations and biodynamic disturbances. This may even include those systems still operated by hand. In experiments in a mobile simulator, constructed especially for this purpose in the Technion laboratory, it was found that while the error factor of the existing helmets can increase under real conditions four to five fold over that of a "quiet" flight, the new helmet's error factor can increase by at most 30 percent.

The Americans intend to implement this method when they develop new helmets for pilots, both in airplanes and in helicopters, as well as in tanks. The American government signed a contract with the Israeli government for a joint research project for NASA laboratories, the American Army, and the flight control laboratory at the Technion. According to the contract each side will finance its own activities. For the time being there are no financial sources on the Israeli side.

The more advanced phase, coming out of this study, is tied in with the development of a scanning system, attached to the pilot's head. The system will combine information of what is going on outside the plane with what is going on inside. The scanner moves with the pilot in any direction his head moves and he is ensured of being able to see the image without any disturbance or blurring, in spite of his body motions while in flight. This is done with a special adaptive filter which was developed by Technion researchers. The development of a more advanced system is expected to take 3 years and will require a budget of hundreds of thousands of dollars. Sources for financing the project in Israel have not yet been found. Here, too, it is not unlikely that the knowhow will be sold overseas.

The epitome of aeronautical research in Israel, the pilot ship of Aerospace Industry and Tadiran, is the drone project. Prof Merhav, who is considered the father of the first drone (and who is now developing an advanced image simulator for drones, which was recently supplied to the defense system), warns that Israel may lose its edge in this area because not enough resources are devoted to developing the next generations of drones, while Israel's competitors, who are growing in number, are doing just that.

Future drones will be able to fly longer--up to 24 hours of continuous flight--and will be more reliable and accurate. The longer the flight, the more serious the navigational errors. This will require the development of sensors and advanced computer systems. "We are still resting on the laurels of the first generation of drones. We ought to remember that our advantage is but temporary and will soon be totally eroded if we don't act aggressively to acquire additional technical advantages," says Prof Merhav. He is upset that research projects in this area, which he proposed to several concerns in Israel, have so far remained unsupported.

Prof Merhav warns against the negative implications of such reduced government support of aeronautical research. He stresses that research and development, which is so important for the future of the aeronautical industry in Israel, (such as the drone technology) and for the education of the next generation of engineers, may be totally lost because of lack of funds, which are rather marginal in view of the total aeronautical budget.

ISRAEL

BRIEFS

ARRESTS FOR HITCHHIKING--Tel Aviv--Women soldiers caught trying to hitch rides at night will be arrested, according to a new Defense Ministry regulation that comes into effect on March 16. Until now, women soldiers have been allowed to take rides at lit stations, in military vehicles, or in cars carrying someone they knew. When military policement found women soldiers along dark roads, they would drive them to a safer spot and send a complaint by mail, which meant that their trial would be held much later. As of March 16, women soldiers who are caught will be taken to a Military Police camp and tried immediately or the following day. [Text] [Jerusalem THE JERUSALEM POST in English 10 Mar 86 p 3] /12851

FLATTO-SHARON EXTRADITION--Milan (AFP)--An Italian court yesterday ordered the extradition of Israeli businessman Samuel Flatto-Sharon to France where he has been sentenced, in his absence, to 10 years' imprisonment for embezzlement. He was arrested on arrival here in October 1985. Flatto-Sharon fled France to Israel, where he was elected to the Knesset in 1977. But he was later found guilty of buying votes and sentenced to jail. His lawyers said they would appeal against his extradition from Italy. [Text] [Jerusalem THE JERUSALEM POST in English 14 Mar 86 p 1] /9317

CSO: 4400/144

KUWAIT

FINANCE MINISTER PROVIDES CALM ASSESSMENT OF ECONOMIC OUTLOOK

London AL-MAJALLAH in Arabic 25 Feb-4 Mar 86 pp 34, 35

[Interview with Finance and Economy Minister Jasim Muhammad al-Khirafi by 'Abd-al-Bari 'Atwan: "The Era of Luxury and Wasteful Spending Has Ended and the Economic Crisis Is Exaggerated"]

[Text] The economic question is the hottest issue to have been raised at the table of debate and discussion in Kuwait. There is the problem of the debts which have arisen from the collapse of the al-Manakh market, and there also is the issue of oil revenues which are declining because of the drop in oil prices. In addition to all these things, there is talk about austerity and a decline in the budget and a search for other alternatives to income besides foreign investment.

AL-MAJALLAH met with Mr Jasim Muhammad al-Khirafi, Kuwait's minister of finance and national economy, and posed a number of questions to him concerning the truth about the economic crisis in Kuwait, the government's means for dealing with the consequences of the al-Manakh crisis, Kuwait's position vis-a-vis Western countries which have started to impose high customs duties on Gulf petrochemical industry exports, and the truth of the news about the reduction in the Kuwaiti budget and the sections the reduction will be concerned with. Herewith is the text of the conversation:

[Question] There is much talk these days about the Kuwaiti government's means for remedying the crisis of the debts which have arisen from the collapse of the al-Manakh market. How do you view the criticism directed at this approach? What in brief are your new approaches for resolving this problem?

[Answer] The Kuwaiti government has viewed and still is viewing the issue of indebtedness as a matter which concerns the creditors and debtors and has considered that it must not intervene in a direct manner. The government has described this policy clearly in its report which it presented to the members of the National Assembly. This does not mean that we will remain detached from the problem; rather, it means that this problem will be solved by the two parties concerned, that is, the creditors and the debtors, provided that the role of the Kuwaiti Central Bank be one of oversight and of confirming that the requisite banking principles are followed.

[Question] Some observers believe that the Kuwaiti government, which has provided close to 4 billion dinars in an attempt on its part to settle the al-Manakh market crisis, can settle the consequences of this crisis. Why has it so far hesitated to finish what it has begun?

[Answer] The amount you mentioned is exaggerated. The government has not provided such an amount; rather, it has dealt with the al-Manakh crisis through its attempt to break up the entanglement. The treatment has taken place through three methods: first, the investors' fund, second, the purchase of stocks at the subsidy price, and third, the investment portfolio in the possession of the Domestic and Foreign Investments Company with respect to the loans. These three methods do not amount to the figure you mentioned. Our role now is embodied in settling this matter and making a strong new start this year, until the companies start to realize revenues through their presence. We have offered our economic report in this regard; it is related to the subject of the treatment of closed and Gulf companies and public corporations. We hope that this issue will be finished with as soon as possible, in accordance with the schedule that has been set out.

[Question] A statement has been attributed to Shaykh Sabah al-Ahmad, the acting prime minister and minister of foreign affairs, that Kuwait will solve the crisis of indebtedness even if it resorts to borrowing from abroad. Is the principle of borrowing at issue? From where?

[Answer] I believe that the statements that have been attributed to Shaykh Sabah are proof of concern to put an end to this issue. This does not mean that we will borrow from abroad. We have not reached the point of borrowing from abroad, although it is not shameful for any country to venture on this sort of approach, and it is a method that is followed throughout the world.

#### The Banking System Is Prospering

[Question] To what extent has the Kuwaiti banking system been affected by the repercussions of the debt crisis and the failure to find rapid solutions to it?

[Answer] I would like to point out that in spite of everything that has been said and is being said about the debt crisis, the conditions of the Kuwaiti banks are still good. There is government support regarding these banks' basic structure and their lines of credit from abroad. The country considers these banks to be part of the main foundation of its internal economic structure and we are confident that the Kuwaiti banking system will continue to move forward confidently and competently.

[Question] The drop in oil prices has undoubtedly had an effect on the magnitude of Kuwaiti financial revenues in recent months. What policies will the government follow to cope with the deficit arising from this drop in revenues?

[Answer] The effect is there and it exists; we expect a drop in revenues and are making our proper calculations to face this situation. However, one must say that the volumes produced inside and outside OPEC are much greater than

the production allocated to the Gulf states. When these countries committed themselves to their stipulated production quotas, that was from a premise of concern for price stabilization. However, that does not mean that we cannot increase production. What I want to stress is that Kuwait, in all the OPEC meetings, has been anxious to commit itself to the organization's production ceiling and along with some OAPEC countries has made big sacrifices because of this commitment. The beneficiaries of these sacrifices have been countries producing outside the organization, and I believe that there are limits to the sacrifices. If the Gulf countries do not meet with a response to these sacrifices, they will stop making them. The time has come for everyone to know that the Gulf countries will not allow the sacrifices to occur at their expense, and there is a limit to everything.

#### The Era of Luxury Has Passed!

[Question] There are people in Kuwait who talk about a coming period of austerity and a tendency toward reducing the budget to cope with the deficit in oil revenues. To what extent is that valid?

[Answer] The drop in the budget is no secret. Of course, we must start to review the study of the budget and we must prepare for unexpected emergencies. In the event a drop in the budget occurs, this drop will not be at the expense of the local economic cycle, since we are concerned with this cycle. However, it will be necessary to review priorities and the subject of scheduling them as far as the various banks go.

[Question] Does that mean that a period of austerity is imminent?

[Answer] I would not like to use the word "austerity." Rather, I prefer to say that the coming period will be one of an assessment of the real situation and rectification of the abnormal state of luxury, because, as is well known, this state of luxury became conspicuous in the previous period, during the flow of financial surpluses, when expenditures rose in an abnormal manner, not for a logical reason but because revenues had increased. We must be aware of the importance and goals of spending, and reprogram spending, while emphasizing realism.

[Question] The impression now prevailing concerning conditions inside Kuwait and some other countries of the Gulf, which is reflected in the analyses of Western economic analysts, suggests that there is an economic crisis. Are these analyses valid or exaggerated?

[Answer] I believe that there has been an exaggeration in the portrayal of the true nature of economic conditions. When we talk about economic crisis, we must explain it and ask whether it is an economic crisis connected to the government. The answer is in the negative, of course, because all the economic indices in Kuwait underline the soundness of the Kuwaiti economy. However, if we look at the issue of local economic assessments, the picture is a little different, but we must not exaggerate and go to excessive pessimism. There are successful Kuwaiti companies which realize a good annual profit, and it would be wrong to link individual local situations to the course of the Kuwaiti economy. Although there are some negative influences on some

local economic conditions, these influences have not reached the point of crisis. Some elements of these influences, for example, in addition to the elimination of the effects of the al-Manakh crisis, have been the Iraqi-Iranian war and international economic conditions. I was happy when as minister of finance and national economy I attended the meetings of the International Monetary Fund held recently in Seoul, the capital of South Korea. The cause of my happiness came from my learning about other countries' problems and comparing these problems with ours. Therefore, I believe that we must not exaggerate on the subject of the economic crisis, so that we will not create illusory problems or blow up individual problems, which must be dealt with in accordance with their magnitude.

#### Alternatives to Oil

[Question] The Kuwaiti government, like other Gulf countries, is seeking alternatives to oil revenues and in recent years has concentrated on investing abroad. It is being constantly said that the revenues from these investments are now on a par with oil revenues, especially with the decline in the latter. To what extent are these assessments valid?

[Answer] Kuwaiti investments abroad are a basic part of the government's policy of seeking alternatives to oil revenues. There are other alternatives which we are seeking to reinforce, such as emphasis on oil industry products. Please excuse me from talking about the investments.

[Question] Gulf petrochemical production, which is considered the most important component of oil industry products, is facing difficulties in marketing because of the European countries' stubborn positions, which are represented by the imposition of high taxes on these products, to the point where the negotiations the Gulf countries have held with the Common Market have not realized the desired results. How will you deal with this situation?

[Answer] When people's statements become unified, intentions are pure and there is a collective approach, as is the case now, I believe that the Gulf countries can constitute a substantial force. When interests are connected and the talk about the issue of petrochemicals is in a single voice, I believe that that will be a step on the proper road. However, if the issue of negotiating is left to each country by itself, there may be scope for laughing at our views. When they know that we are speaking in a single voice, they will start to think about their own interests. If we think about the balance of payments between the Gulf countries and Europe, for instance, we will find that these Western countries need the Gulf countries more than the Gulf countries need them.

[Question] Could that mean that the Gulf Cooperation Council countries will tie their petrochemical industry exports to their imports from Western industrial countries?

[Answer] Even if that possibility is not at hand, we must start thinking about it seriously, because, if you enter into negotiations merely out of heightened emotions, this approach is a weak one and will not realize what



is desired. Negotiating must be to the benefit of the two parties, not to the benefit of one party to the exclusion of the other. As long as there is no serious tendency toward this approach, we will not find anyone listening to us.

#### The War of Rumors

[Question] Kuwait is full of predictions and rumors nowadays. One of the most conspicuous of these rumors is that the government will limit the admission of children of residents to Kuwait government schools as part of its efforts to restrict expenses. Is this possibility at hand?

[Answer] It is not an issue of economizing and restricting expenditures, but rather one of a budget which must be reviewed. There cannot be anything that is not compensated for. Health and education take a large share of the budget. Seventy percent of the health budget is spent on non-Kuwaitis. The Kuwaitis' share of the education budget is no greater than 40 percent. This situation was acceptable when there was an income surplus. Now, however, the picture has changed, but there will be nothing without compensation in the future. As far as the subject of rumors goes, we feel that a deliberate tendency exists to fight our economy by propagating these rumors, and this constitutes a threat toward which we must be attentive, because the economy is based on the elements of stability and trust, and rumors create chaos which has a negative effect on the country's stability. The people who keep repeating rumors to this end are biased and want to slander this country. We will face these people with the facts, so that we can thwart them and their pathological goals.

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CSO: 4404/253

KUWAIT

BROAD RESURGENCE IN NATION'S PRESS REVIEWED

London AL-MAJALLAH in Arabic 5-11 Mar 86 pp 78, 79

[Article: "The Appearance of the Kuwaiti Press Is More Provocative Than the Titles on Its Papers"]

[Text] In his new play, which will soon be shown under the title "The Protector of the Household," the famous Kuwaiti artist and playwright Sa'd al-Faraj has devoted a special scene to examining the editor in chief of a Kuwaiti paper as he receives ambassadors, makes political statements, sets off crises and acts as if he was the absolute ruler and the only person concerned with the assessment of affairs in the country.

Although this is not the first time in which the personality of a journalist or editor in chief has been dealt with in the theater of Kuwait, what is new in Sa'd Faraj's play is that it raises one of the issues which provoke the most controversy in Kuwait now, that of the press, the limits on the journalist and the extent of his personal journalistic, political and social thinking together.

In Kuwait, where the population and the residents amount to no more than 1.5 million, there are five major daily papers issued in Arabic in addition to two daily papers issued in English and more than 10 main magazines issued weekly.

Because of this large number of daily papers relative to the population, competition is becoming intense and methods for attracting readers are becoming diverse. Kuwait's is almost the only press in the Arab nation which mentions the number of copies of each issue printed in a prominent block in order to indicate the magnitude of its circulation, although the custom in the press throughout the world calls for mention of the figures on circulation, not the number of copies printed. Weekly colored supplements full of artistic stories, pictures and news of crimes in other areas manifest themselves as a new style of press competition, to the point where some papers, such as AL-WATAN and AL-QABAS, double their distribution on Tuesdays and Thursdays because of their weekly supplements, as the director of a major distribution company in Kuwait said.

A familiar sight is the presence of special boxes placed at the entryways to houses and apartments, bearing the names and slogans of the various Kuwaiti papers. The papers have taken the measure of setting out special boxes in their names in front of every home subscribing to them, to the point where the number of boxes now is a measure of the wealth or magnitude of culture of every head of household. The greater the number of boxes in front of the home, the greater the cultural worth of its occupant in the view of neighbors, visitors and passersby, as a Kuwaiti satirical writer said in talking about the press.

#### A Distinctive Platform

Competition among major papers has helped develop the press and its information services on the readers' behalf and has created a distinctive platform, if not an Arab press school which is unique of its kind. It should be noted that the press coverage of some events, especially the Gulf war, the events in Aden and other regional events, has been the focus of competition among the major papers which has helped diversify and enrich this coverage.

The proliferation of Arab and non-Arab communities residing in Kuwait has led to diversification in the interests of the Kuwaiti papers and an increase in the intensity of competition among them in order to acquire readers from these communities. While AL-WATAN is considered the newspaper with the greatest circulation in circles of the Palestinian community because of its objectivity, broad press coverage and political analyses, the paper AL-SIYASAH is the preferred paper among members of the Egyptian community. This paper is distinguished from others by emphasis on news of Egypt and it takes positions supporting and backing Egyptian policies, including those of Camp David. Its owner and editor in chief was one of the journalists closest to the late President al-Sadat, then to President Husni Mubarak after him. The newspaper AL-SIYASAH asks a number of Egyptian writers to write, in order to strengthen this orientation.

The Kuwaiti press enjoys a margin of freedom which perhaps does not exist in many other Gulf countries, especially following parliament's abrogation of the article of the law which gave the government the right to suspend any printed matter for a period of days or more if it published news or articles which threatened security, created strife in the country or caused harm to the government and its foreign policies. Press violations are now handed over to the judiciary for discussion. No journalist has happened to be imprisoned since this article of the law was abrogated, and all the provisions are now restricted to fines of no more than 50 Kuwaiti dinars. The judiciary is the arbiter now, and any infliction of harm or contempt is handed over to the judiciary, same as any other matter.

Mr Yusuf al-'Ulayyan, chairman of the Society of Kuwaiti Journalists, says that the society at present now contains Kuwaiti journalists and journalists residing in Kuwait, and gives resident (non-Kuwaiti) journalists the right to vote, although they do not have the right to run as candidates for any seat in the society. The society also treats everyone equally as far as social insurance goes and there is a fund the society established which assumes the task of caring for journalists.

## A Gulf Journalistic Federation

It has been pointed out that Mr al-'Ulayyan recently made a tour, at the head of a Society of Kuwaiti Journalists delegation, to discuss the possibility of establishing a society accommodating all the journalists in the Gulf. After returning, he said that the delegation received a warm reception on the part of press societies and institutions when it presented them with this idea.

A person visiting Kuwaiti newspaper houses these days will notice the presence of a generation of Kuwaiti journalists and writers who have started to take over the lead articles, columns and major positions in these papers. Some newspaper editors in chief refuse to use the word "Kuwaitization" in its literal sense to describe this phenomenon, and settle for saying that what is happening now is a "restoration of balance" that had been lacking in the past and that the new generations of Kuwaitis have imposed themselves on the press, especially since some of these people have studied journalism and other media arts in Kuwait and abroad, and it was natural that these journalists would find places for themselves in the publishing houses commensurate with their competence and enthusiasm.

Mr 'Abd-al-'Aziz al-Musa'id, owner of the al-Ra'y al-'Amm press and publishing house, which issues the oldest daily paper in Kuwait, the newspaper AL-RA'Y AL-'AMM (founded in 1961), describes the state of the Kuwaiti press now as similar to that of the Lebanese press in the early seventies, in terms of freedom and journalistic progressivism. However, he goes on to state that there are basic rules which control this freedom and make it a responsible freedom. The dean of public opinion says that he rejects the styles of press provocation and drumming and trumpeting.

Mr Muhammad Jasim al-Saqr, the editor in chief of the Kuwaiti newspaper AL-QABAS, admits that the economic conditions Kuwait, like other Gulf countries, is experiencing at present because of the drop in oil prices have indirectly affected the Kuwaiti press and its economics. He says that the security issue for its part has had a tangible effect; because of the security question a decree was issued prohibiting the sale of papers on the streets and in front of traffic signals at peak traffic hours. However, it has been possible to make up for this loss or part of it by the government's allowing the sale of papers in grocery stores and cooperative societies.

It was natural that the economic crisis should be reflected on the revenues of the Kuwaiti press. This crisis has been directly reflected on material revenue from advertising, and the issuance of a decree regulating the process of declaring deaths and the condolences and other things subordinate to that has reduced these papers' income.

The subject of the Kuwaiti press continues to be more provocative than the titles on its papers, especially when these titles speak about the Gulf war. Some people describe these papers as having become "the first press of the Arabs," while others consider that it is a unique experience which bears within itself the seeds of danger, but in any case it is a phenomenon which merits study and reflection.

QATAR

ZONES AND STREET NAMES IN DOHA

Dubayy KHALEEJ TIMES in English 9 Mar 86 p 4

[Text]

IN two years, every house in Doha will have a number, and every street a name.

A sample zone with street names and zone number is ready, and work on naming the main roads has begun.

After 60,000 name plates in English and Arabic have been erected, it will be possible to address a letter to an individual, not to a post box number, but to his home.

Work on the Qatar Area Referencing System (QARS) began nearly two years ago. "We wanted to adopt a somewhat unique system," said Wafi Boulos, project coordinator. It had to suit the peculiar radial growth of Doha, accommodate future expansion and keep the new names and zones as familiar to the people as possible. Qatar is marked by what the QARS terms radial roads such as Rayyan, Salwa or-Umm Said. In addition: there are the newly-constructed ring roads.

The QARS decided to take the traditional 'fareeks' or family areas, as the basic unit. 'Fareeks' are areas of a particular family, like the Khulaifat, of Khulaifis and Salata of Sulaitis. Hence, the basic zone is still a 'fareek' bounded on four sides by primary roads, or double carriageways. There are 67 such zones in Doha and about 100 in Qatar. Mr Boulos said it had been possible to stick to the 'fareek' boundaries in most areas.

Provisions has also been made for expansion of buildings and roads. Even empty lots have been marked, and will be numbered. "The system can absorb expansion up to the year

2000," Mr Boulos said.

The sample zone number 64, which is a senior staff area, is bounded on four sides by the Khalifa Road, Al Jamaiah Road, Al Istiqlal Road and Al Markhiya Road.

Mr Boulos said roads had been divided into primary, secondary and tertiary and would be named in that order.

The work in the next two years is divided into seven phases. The first will see names for primary roads bordering zones, the second phase will involve work on the central area of Doha, and then it expand toward the ring roads counter-clock wise.

Government offices have already begun a card system to designate the zone and official street names. In future, water and electricity bills and health cards will be marked accordingly. A government card will have eight digits, the first two for the zone, the three next for street number and last three for the house. But the com-

mon man need not worry about street numbers, as they are for official use only. Street numbers will be seen in a tiny portion of the plaque. Knowing the house number, the street name and the zone number will be sufficient for the public. Identification of houses by postmen in future, and services such as telephones and water will be easier.

Mr Boulos said there would be no repetition of street names, even if the zones are different. For instance, there will be only one Mohammad Street in all of Doha. House numbers may be repeated. All data will be fed into a computer and the usage, standardised in all ministries and offices.

Mr Boulos said a contract will soon be awarded to educate the public, on the new system. A media campaign will be launched to familiarise the public with the new names and numbers, and to help them use the new system effectively.

UNITED ARAB EMIRATES

PRELIMINARY RESULTS OF 1985 CENSUS SHOW UNEXPECTED INCREASE

Dubayy AL-BAYAN in Arabic 20 Jan 86 p 2

[Article by 'Ali Lashin: "1985 Indicators of Population Census; Increase Twice the Estimate of the World Health Organization"]

[Text] The preliminary results of the 1985 public census of people and establishments indicate that over the past 5 years the population has increased by 580,464 people, or 55.7 percent. This is twice the number expected by the WHO, which indicated in its estimations that the increase would be about 311,000, or only 25.8 percent.

Further, the preliminary results of the census indicate that the number of males in the country has reached 1,052,577, a proportion of about 65 percent, and that the number of females has reached 569,887, or a proportion of 35 percent.

The male population increased by 332,577, or 46.2 percent, while the female population increased by 247,887, or 77 percent.

The results of the census show population increases of 218,125, or 48.25 percent for the emirate of Abu Dhabi, and 143,104, or 51.84 percent, for the emirate of Dubayy.

The population increased by 109,723, or 69 percent, for the emirate of al-Shariqah, and by 42,470, or 57.4 percent, for the emirate of Ra's al-Khaymah, and by 28,318, or 78.7 percent, for 'Ajman.

The population increased by 22,425, or 70 percent, in the emirate of al-Fujayrah, and by 16,299, or 125.4 percent in the emirate of Umm al-Qaywayn, doubling the population of that emirate over the past 5 years.

Numbers and Indications

The preliminary results of the census raise a number of very important questions. Can the population increase be traced to a natural increase, that is, to the difference between the number of births and the number of deaths, or can it be traced to an increase in the number of arriving workers?

If the latter factor is the reason, how can this be explained since most of the infrastructure projects in the country have come to an end, and the rate of growth of construction activity has slowed?

Have the workers in the construction sector moved to other economic sectors? This will be shown by analysis of the results for the number of establishments and analysis of the report on economic activity and knowledge of the unemployment rate.

That is to say, analysis of reports on the employment situation and age groups will show the number of employees, the number of those who are not of work age, and the number of wage-earners in the nation.

There is another question about the reason for such a large percentage increase in the population. Can it be traced to an increase in the number of domestic servants, and did this group increase in a major way, particularly after the phenomenon of employing more than one servant spread to many local and newly arrived families along with the increase of homes and the total number of rooms in each house, and the decrease of rents and stabilization of living standards and a rise in the level of personal income?

The increase in the proportion of males to females, 65 percent to 35 percent, indicates that the country is still an attractive area for workers coming from abroad, most of whom are unmarried.

Among other important questions raised by the preliminary results of the census is the large increase in the population in some of the emirates, which was more than 100 percent in one emirate, more than 70 percent in two emirates, more than 50 percent in 3 emirates, and 48 percent in one emirate.

Can the rise in the percentage of increase in some of the emirates be traced to a rise and growth of economic activity, an increase in the number of farms and factories and commercial and service activities, or can it be traced to a lowering of the level of rents, and, consequently, to emigration from one emirate to another in search of suitable housing for suitable rents?

In closing, the final results of the census, which are expected to be announced within 6 months at the most, will answer these questions. Other questions which need special research to be answered remain.

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UNITED ARAB EMIRATES

GULF PETROCHEMICAL INDUSTRY CONSIDERED

Dubayy AL-BAYAN in Arabic 12 Jan 86 p 17

[Article by 'Abdallah Muhammad Tayyib Khuri: "The Petrochemical Industry and the Contemporary Challenges Facing the GCC States"]

[Text] The discovery of oil in the modern era has given great opportunity for an industrial revolution, especially after the appearance of automobiles and engines. Whole industries have become fundamentally dependent on crude oil and various sciences have been built on the search for oil and ways to drill for it, produce it, transport it, refine it, use it, and market it, and various scientific studies have been conducted on ways to transform energy and the like.

The states of the GCC have achieved complete control over their oil resources. Therefore, the processing of oil has become a element in the industrial development plans of these countries, particularly in the area of petrochemical and chemical fertilizer plants, since the interdependence of oil and the petrochemical industry is a natural phenomenon in an area fundamentally dependent on this resource. Special economic theory about increasing the added value of a resource makes incumbent the processing of oil and its conversion into products with a higher return. This can only be done by the creation of a petrochemical industry in addition to oil refining and chemical fertilizer plants.

The Meaning and Characteristics of the Petrochemical Industry

Petrochemicals is the name given to any chemical compound or element produced from oil or natural gas. Petrochemical products are divided into primary, intermediate, and final products according to the production chain of this resource.

Among the most important of the primary petrochemical materials are ammonia, methanol, ethylene, (propylene), and butadiene. There are many intermediate petrochemical materials, which form a link between the primary and final materials. The most important of them are acetic acid, formaldehyde, acrylonitrile, ethylene dichloride, phenyl, phenyl chloride monomer, and acetone.



The final petrochemical materials are those such as nitrogen fertilizer or industrial solvents, which can be used directly, or such as plastics, synthetic fibers, or synthetic rubber, which can be made into other things.

#### Characteristics of the Petrochemical Industry

1. Capital intensiveness. This is because of the large size of the production units and the high cost of equipment and the need for special and distinctive infrastructures, such as supply ports and shipping and storage systems.
2. Economies of scale. The cost of production per unit decreases for every increase in size of the production unit.
3. The importance of basic resources is very great in the cost of production. The cost and availability of the basic hydrocarbon resources are considered important elements in determining the economics of the petrochemical projects.
4. The importance of research and development. This is a significant characteristic, because one of the aspects of success in this industry is the parade of rapid progress in equipment and means of producing and utilizing new primary materials. That which is deprived of research and development is made obsolete by the market.
5. The sale of products. The market is distinguished by general lack of stability.

#### Petrochemical Plants in the GCC

The countries of the GCC have delayed entering petrochemical industries, for a number of reasons, including the following.

1. The lack of availability of the necessary capital to build projects such as these when our natural resources were run by others, and all of our benefits went to them.
2. The waste of gas, which was burned rather than used as a material to establish the petrochemical industry
3. The lack of the scientific and technical background suited to establishing this industry. I remember here, by way of example, in 1970, the Esso Company, among other American companies, accepted a tender offered by the Saudi Basic Industries Corporation to international companies to enter with it into joint projects. However, the Europeans, including the Shell Company, were reluctant to do this, and naturally, therefore, the chemical industry in Europe is now, with the beginning of production by new Saudi facilities, in a state of feverish excitement.

Table 1 shows the existing nitrogen fertilizer projects in the states of the GCC, the history of some of which goes back to the sixties, as in Kuwait, where production of the plant located in al-Shu'aybah area began in 1966, or as in Saudi Arabia, where production at the Dammam plant began in 1970.

The other petrochemical plants did not begin operation until the mid seventies. The Qatar Petrochemical Co., Ltd. (QAPCO) was built in 1974, in partnership with a French company. The plant was built in the industrial area of Umm Sa'id with a projected volume of 280,000 tons of ethylene and 140,000 tons of low-density polyethylene per year. After that, came the projects of the Saudi Basic Industries Corporation (SABIC), most of which were set up in the two new industrial cities of al-Jubayl and Yanbu'. These two cities have some of the most advanced and developed public utilities in the world, because they were designed with the capacity needed to deal not only with primary industrial products, but also with the oil and secondary plants whose products SABIC uses for raw materials. The industrial city of al-Ruways is not far from either of these two cities.

In the United Arab Emirates, the Abu Dhabi National Oil Co. (ADNOC) expects to inaugurate a project in 1987/88 that will have an annual production capacity of 450,000 tons of ethylene a year.

Table number 2 shows the existing and planned projects in the states of the GCC, while table number 3 gives a comparison between expected production in the region and the world for several products. We conclude from the table that the states of the GCC must coordinate their efforts among themselves and fight to gain their share of the world market, in a manner similar to that of the European governments when faced with the Saudi petrochemicals some time ago. I remember here another time when the petrochemical industry was marked by rapid development in equipment and means of production and use. Therefore, the existence of a technical and scientific background is necessary to support the plants and to set up research and development operations at all stages of this industry to face the unstable markets and their interwoven demands. Therefore, it is necessary that there be special departments for scientific research and development to keep up with this industry in the world, an even to surpass it. Without something like this, we can not guarantee that we will not be pushed into leaving the world market totally in the distant future.

Table 1 - Existing Nitrogen Fertilizer Projects in GCC States

State	Location	Products	Capacity in thousand tons	Startup
United Arab Emirates	al-Ruways	Ammonia	297	1984
		Urea	450	
Saudi Arabia	Dammam	Ammonia	180	1970
		Urea	300	
	al-Jubayl	Ammonia	576	1983
		Urea	870	
Qatar	Umm Sa'id	Ammonia	297	1980
		Urea	330	
	Umm Sa'id	Ammonia	297	1981
		Urea	330	
Kuwait	al-Shu'aybah A, B	Ammonia	660	1966
		Urea	792	
		Ammonia Sulfate	165	

From MAJALLAT AL-TIJARAH AL-'ARABIYAH AL-'ALAMIYAH, December 1985, vol 38, no 5, on Saudi production, and MAJALLAT AKHBAR KHALIJYAH on Kuwait's and Qatar's production, August issue.

Table 2 - Existing and Planned Projects in GCC States

State	Location	Product	Capacity in thousand tons	Startup
United Arab Emirates	al-Ruways	Ethylene	450	1987/88 (expected)
Saudi Arabia	al-Jubayl	Ethylene	656	1984
		Styrene	295	
		Ethylene Dichloride	454	
		Ethanol	281	
	Yanbu'	Ethylene	450	1985
		Polyethylene (low density)	200	1985
		Polyethylene (high density)	91	
	al-Jubayl	Ethylene	500	1985
		Polyethylene (low density)	70	
		Polyethylene (high density)	105	
		Glycol	300	
	al-Jubayl	Methanol	660	1983
	al-Jubayl	Methanol	693	1984
	al-Jubayl	Polyethylene		1985
(low density)	260			
		Ethylene	450	
	al-Jubayl	Polyethylene (low density)	250	
		Polyethylene (high density)	80	
		Ethylene Glycol	150	
Qatar	Umm Sa'id	Ethylene	280	1980
Polyethylene		(low density)	140	
		Polyethylene (high density)	70	
		Propylene	5	
Bahrain (joint project with Kuwait and Saudi Arab)	Sitrah	Methanol	330	1986
	al-Bahrain	Methanol	330	1986
Kuwait	al-Shu'aybah	Ethylene	350	1986
		Polyethylene (high density)	130	
		Ethylene Glycol	135	
		Styrene	340	
		Benzene	280	
		Ortho-xylene		60
		Para-xylene	86	

Table 3 - Regional Production, 1987 (thousand tons)

State	Ethylene	Polyethylene (low density)	Methanol
United Arab Emirates	405	---	---
Bahrain (joint project)	---	---	297
Saudi Arabia	2254	780	1218
Qatar	280	140	---
Bahrain	350	---	---

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UNITED ARAB EMIRATES

INCREASED TRADE WITH YUGOSLAVIA DISCUSSED

Dubayy AL-BAYAN in Arabic 29 Jan 86 p 2

[Article by Husayn Anwar: "Yugoslavian Delegation to Discuss Setting Up Trade Office in Dubayy; Conference of Bankers of the Two Countries To Meet in Dubayy in April"]

[Text] Nikola Filipovic, president of the Yugoslav Economic Chamber, told AL-BAYAN yesterday that the Yugoslav Economic Chamber will send a special delegation made up of Yugoslavian economic officials to Dubayy in the coming days to discuss the possibilities of setting up a Yugoslavian trade office in Dubayy to work to develop commercial exchange with the region. He said that both sides desire to support all forms of economic cooperation, pointing to the fact that the Yugoslavian delegation that is currently touring the region has begun discussions on establishing joint projects between Yugoslavia and the states of the region.

Agreement was reached in talks held yesterday morning between the Yugoslavian delegation and the Dubayy chamber on holding a joint conference for Yugoslavian and Dubayy bankers to discuss ways to strengthen financial and banking cooperation between the two sides in Dubayy this coming April.

The head of the delegation, which includes 11 senior officials from various economic sectors, spoke in glowing terms about the level of Arab-Yugoslavian economic cooperation, particularly in the area of "turn key" projects undertaken by specialized Yugoslavian agencies. He said that recent years have witnessed a great push in relations, particularly with Dubayy and states of the region, subsequent to agreements with a number of economic luminaries to be representation for Yugoslavian products.

During 2 hours of discussions at the offices of the Dubayy chamber, Sa'id Jum'ah al-Nabudah, the head of the Dubayy chamber, called on the delegation to work to further commercial exchange with the region with three suggestions:

1. Provision to send more exhibition and marketing delegations and provision to set up more independent or joint international exhibitions in Dubayy both to become familiar with the local markets and to become acquainted with Yugoslavian products.

2. A study on establishing a trade office for Yugoslavia in Dubayy, as 27 states have done already.

3. A study on benefitting from the free zone in Jabal 'Ali, which the government of Dubayy established last year and provided with the best infrastructure facilities, delivery equipment, and warehousing. The largest ports in the Middle East are currently found in this area, and it has refrigerated warehouses, large areas in which to set up import and distribution warehouses, and to build industrial projects and assembly plants.

He added that Dubayy's imports from Yugoslavia have grown remarkably in recent years, by about 50 percent. This is considered an outstanding accomplishment if we take into consideration the international economic stagnation. They increased from about \$5.5 million in 1981 to about \$8.7 million this last year. This is an outstanding result, but we must constantly strive for more. Our imports from Yugoslavia represent a small percentage of our total imports, which amount to about \$5 billion dollars annually, while the production and export capabilities of Yugoslavia are very great, a fact that makes us feel that we are still at the beginning of the path.

Petar Kostic, the Yugoslavian ambassador to Dubayy, Sa'id al-Kindi, the first deputy chairman of the Dubayy chamber, and a number of officials, businessmen, and merchants were present and talked about ways to strengthen relations.

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BANGLADESH

CHOWDHURY BRIEFS PRESS ON RELATIONS WITH INDIA

Dhaka THE BANGLADESH OBSERVER in English 2 Mar 86 pp 1, 10

[Text]

Foreign Minister Humayun Rasheed Choudhury on Saturday said that the Government of India should urgently arrange to hand over the possession to Bangladesh the Tin Bigha corridor as agreed upon in as early as 1974, reports BSS.

He said Bangladesh had honoured "our part of the agreement" in handing over Berubari under the 1974 Land Boundary Agreement but lamented that New Delhi was unusually delaying the handing over of the Tin Bigha corridor for the two Bangladeshi enclaves of Dahagram and Angorpota.

Replying to questions at a Press briefing at the Foreign Office, the Foreign Minister said that the delay in handing over the Tin Bigha corridor was "telling upon the image of India as well as bilateral relations".

He suggested that the long delay was also "telling upon our patience. We are becoming impatient about it".

"India is honour-bound and it is under treaty of obligation for her to expedite the quick transfer of the Tin Bigha" Mr Choudhury said.

Under the 1974 Land Boundary Agreement, India is to hand over the possession of the Tin Bigha corridor—a strip of land to Bangladesh on a perpetual lease to facilitate communications with the two enclaves of Dahagram and Angorpota as well as their administration.

The Foreign Minister said that Bangladesh was not convinced about the reasons for such unusual procrastination in resolving the Tin Bigha issue.

When his attention was drawn to recent Press reports about blockading of Bangladeshi nationals of the two enclaves of Dahagram and Angorpota by the Indian Border Security Forces,

he said those "are without foundation".

He said "preliminary investigations" made by relevant authorities suggested that "the Press reports are not quite factual".

He however, said that further confirmation from other relevant agencies in Bangladesh was awaited before the matter could be formally taken up with New Delhi.

Replying to another question about recent communal disturbances in India Mr Choudhury said: "We are concerned at the plight of the Muslims in India as well as in anywhere in the world".

But he hastened to add that "we are satisfied with the intention and action of the Government of India in containing the disturbances. We have watched the situation carefully and are satisfied with the action taken by their Government".

When asked to describe the present state of Indo Bangladesh relations the Foreign Minister said "it always has life. It has its ups and downs".

Mr Choudhury referred to recent Press reports in India which suggested that India was going to resume its barbed wire fence project along Bangladesh's border.

The Foreign Minister spelt out the Bangladesh position on the barbed wire issue. "We consider building of any structure within zero line as illegal. We consider building of any structure within 150 yard—or even beyond, as contrary to agreements".

He said building of the barbed wire fence along Bangladesh's border "is not at all conducive to an atmosphere of good relations and mutual trust".

He also referred to a recent statement by the newly elected

Chief Minister of the Indian Assam state Mr Prafulla Mahanta who was reported to have said that immigrations from Bangladesh had decreased.

The Minister said that the question of decreasing immigration from Bangladesh into Assam did not sound relevant when Dhaka has consistently protested such allegations.

He said the question did not arise since there are not any Bangladeshi immigrants. There is no migration from Bangladesh to India.

He also referred to the progress in the Ganges water augmentation talks and the renewal of the water agreement as positive signs towards improving bilateral relations.

Foreign Minister Humayun Rasheed Choudhury on Saturday claimed that 1985 had been an "eventful and successful year" in carrying out the foreign policy objectives of developing the country's relations with other countries.

"With neighbours Bangladesh's relations manifested a promising growth" he told reporters at a briefing at the Foreign Office.

He said the country's external relations were marked by expansion of cooperation in economic commercial educational and cultural fields and "most importantly through structured regional cooperation in South Asia".

The Foreign Minister referred to the successful holding of the SAARC Summit.

BANGLADESH

REPORT ON MEETING OF BANGLADESH-NEPAL COMMISSION

Dhaka THE BANGLADESH OBSERVER in English 1 Mar 86 pp 1, 8

[Text] Bangladesh and Nepal on Friday stressed the need for increasing the volume of trade between the two countries through diversification of trade and concessional tariff rates, reports BSS.

The review group meeting of Bangladesh-Nepal Joint Economic Commission which met in Dhaka on Friday hoped that the long-term trading agreement and a banking agreement to be signed in Dhaka in April would promote a balanced and stable pattern of trade between the two countries.

During the meeting Bangladesh side called for reduction of tariff rates to make Bangladeshi products competitive in Nepalese market, according to an official handout.

The whole range economic and technical cooperation between Bangladesh and Nepal came up for review at the meeting which agreed to give new thrust for the implementation of decisions taken by the fifth session of the joint economic commission in the fields of industry, trade, transport, tourism, communications and banking and technical cooperation.

The Bangladesh side was led by Mr Abdus Samad Section Chief External Resources Division Ministry of Finance and the Nepalese side was led by Mr Heet Singh Shreshta Additional Secretary, Ministry of Finance. They signed the agreed minutes on conclusion of the meeting.

The two sides felt the necessity to further expand cooperation between the two countries specially in view of the new momentum of cooperation generated since the first SAARC summit of South Asian leaders in Dhaka.

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CSO: 4600/1530



BANGLADESH

INDIANS ASKED TO RELEASE ARREST ENCLAVE INHABITANTS

Dhaka THE BANGLADESH TIMES in English 28 Feb 86 pp 1, 8

[Text] Rangpur, Feb 27--The Deputy Commissioner of Lalmonirhat and the local BDR Commander requested their Indian counterparts yesterday to release the 17 inhabitants of Dahagram and Angorpota enclaves, arrested by Indian Border Security Forces (BSF) on February 17.

The local BDR battalion commander in a wireless message transmitted to his counterpart Indian BSF commander to handover the 17 Bangladeshis through a flag meeting.

The Deputy Commissioner of Lalmonirhat in a similar message sent to the district magistrate of Kuchbihar (India) requested the latter to ensure immediate release of the arrested Bangladeshis.

According to information gathered here, the 17 Bangladeshis were arrested by Indian BSF men when they were on their way to the Indian Mekliganj Hat to do shopping.

A 1981-agreement between Bangladesh and India entitles the inhabitants of Dahagram and Angorpota enclaves to do their sale and purchase from Indian Mekliganj and Dhaprahat bazars.

The 12 thousand inhabitants of these two enclaves who are surrounded by Indian territory on all sides are also entitled under that agreement, to avail medicare facilities in Indian territory.

Local Indian citizens and the Indian BSF, however, are often found not to respect the terms of the agreement, and harass the inhabitants of the two enclaves. The inhabitants of the two enclaves are cut off from mainland as India is yet to handover the Tinbigha corridor to Bangladesh under Indira-Mujib agreement of 1974.

Meanwhile, the names of 12 out of 17 arrested inhabitants of the enclaves could be gathered till today. They are: Syed Azharul Huq Pradhan, Abu Bakr Siddiqui, Hashral Hossain, Sulaiman Ali, Bashara Mohammad, Khocha Mia, Oktaruddin, Shamser Ali Master, Hossain Ali, Abdus Sobhan, Mughal Mia.

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CSO: 4600/1529

BANGLADESH

EXPORT EARNINGS FIRST HALF 1985-1986 UNSATISFACTORY

Dhaka THE BANGLADESH TIMES in English 28 Feb 86 pp 1, 8

[Text] The export earnings of the country fell by 1.81 per cent in term of Taka and 7.49 per cent in term of dollar during the first six months of the current fiscal year (1985-86).

This was stated by Commerce Minister Kazi Zafar Ahmed at the 12th meeting of Export Promotion Council on Thursday at Hotel Sheraton. Commerce Secretary Mr. A.B.M. Ghulam Mostafa, President of Federation of Bangladesh Chamber of Commerce and Industry Mr. M.A. Kashem and Mr. R.A. Majumdar, Vice-Chairman of Export Promotion Bureau, also addressed the meeting among others.

The Commerce Minister said that the total export earnings during the 1st six months of the current year was Taka 1303.50 crore and in term of dollar the 446.56 million. The target for the year was Taka 2,655 crore and 965.45 million dollar in term of foreign currency.

Kazi Zafar Ahmed said that the export earnings during the first six months of the current year could not be termed as satisfactory.

He pointed out that Taka was devalued against dollar on several occasions during the period under review which created a bad effect on the export earnings. Besides, fall in the prices of some of the major exportables of the country in the international markets also hindered in the growth of export earnings, he said.

The Commerce Minister said that the production of jute and tea had increased substantially this year following a record price obtained by the two commodities last year in the international markets. But, market of these two items shrunk due to the high prices, he said.

Commerce Secretary Mr. A.B.M. Ghulam Mostafa pointed to the recent Bangladesh U.S. agreement on readymade garments and said that it would now be possible to solve the problems of local garments industries to a great extent. He said that a high-powered delegation would visit socialist countries in April to explore markets of readymade garments of Bangladesh.

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CSO: 4600/1529

BANGLADESH

BRIEFS

BAKSAL OFFICERS CHOSEN--Mr Mohiuddin Ahmed and Mr Abdur Razzak were re-elected Chairman and General Secretary of Bangladesh Krishak Sramik Awami League in its two-day national council which concluded on Friday. The eleven members of the presidium are Mr Abdul Momin Talukdar, Mr Abdur Rahim, Mr Lutfur Rahman, Mr Mazharul Islam, Mr Shamsuddin Molla, Mr Azizul Huq Miah, Mr Fazlul Karim, Mr Abdul Hadi, Mr Syed Ahmed and Mr Quamrul Islam Rais. Members of the party's secretariate are Sardar Amjam Hossain, Mr Hemayetuddin Ahmed, Mr Monavem Sarkar, Professor Abu Sayeed, Fakir Abdur Razzak, Mr Shamsul Alam Dudu, Mr Alamgir Kabir, Mr Abdul Quddus, Mr Hashimuddin Haider Pahari, Mr Bahlul Majnun Chunnu, Mr Ramesh Chandra Roy and Mr Mukul Bose. A meeting of the newly elected Central Executive Committee of the party will meet at 10 a.m. today (Saturday) at the party central office. [Text] [Dkaha THE BANGLADESH OBSERVER in English 1 Mar 86 p 8] /8309

MUSLIM LEAGUE LEADERS--Kazi Abdul Kader and Mr M.A. Matin have been elected President and Secretary-General respectively of Bangladesh Muslim League. The election was held at the residence of late Khan A. Sabur on Friday. Messrs M. Hannan, Ainuddin Ahmed and Sirajuddin have been elected Organising Secretary, Publicity Secretary and Treasurer respectively of the Muslim League according to a party Press release signed by Mr Ibrahim Hossain, chairman of the election commission. [Text] [Dhaka THE BANGLADESH OBSERVER in English 1 Mar 86 p 8] /8309

FOODGRAIN PROCUREMENT PLANS--Jessore, Mar 4--Five lakh tons of foodgrains will be procured during the current financial year, Food Minister Maj Gen Mahabbat Jan Chowdhury said here today reports BSS. The Minister said out of a target of 3 lakh tons 2 lakh tons of rice have already been procured. The wheat procurement target of the fiscal 1985-86 has been fixed at 2 lakh tons. The Minister was addressing the food officials of greater Jessore and Kushtia districts here at the local Circuit House in the morning. Director General of food Sved Alamgir Farooq Chowdhury and Regional Controller of Food Abdus Sattar also spoke at the meeting. General Chowdhury asked the officials to take allout preparations for the coming wheat procurement. While emphasising on wheat procurement the Minister said efforts must be taken so that we can meet the distribution requirement. [Text] [Dhaka THE BANGLADESH OBSERVER in English 5 Mar 86 p 10] /8309

14 April 1986

AMBASSADOR TO ROMANIA--The Government has decided to appoint Mr M. Anwar Hashim, Director General in the Ministry of Foreign Affairs, as Ambassador of Bangladesh to the Socialist Republic of Romania, foreign office sources said yesterday, reports BSS. [Text] [Dhaka THE NEW NATION in English 6 Mar 86 p 3] /9274

NEW BURMESE AMBASSADOR--Mr U. Soe Myint has been appointed Ambassador of Burma to Bangladesh, the Foreign Office announced yesterday, reports BSS. Born in 1985 [as published], Mr U Soe Myint graduated from the University of Rangoon. He joined ministry of Foreign affairs in 1970 and served in various capacities at permanent mission of Burma to UN, New York and also at the Burmese embassies in Washington and Beijing. He is married and has two children. [Text] [Dhaka THE NEW NATION in English 6 Mar 86 p 3] /9274

CSO: 4600/1538

INDIA

MANY MORE GAS LEAKS REPORTED SINCE BHOPAL

Bombay THE TIMES OF INDIA in English 6 Mar 86 p 20

[Text] New Delhi (UNI)--Contrary to the hope that Bhopal gas tragedy will lead to stringent safety regulations in industry, many gas leakages have since been reported.

Firstly, on December 11, 1984, an ammonia tanker collided with an empty tanker at Chandigarh. The same week chlorine gas leaked from a plant near Cochin on August 11, 1985, sulphuric acid fumes escaped from two plants at Kanpur, and then ammonia leaked from a chemical unit in Bombay.

On October 7, 1985, chlorine leakage was reported from a factory near Thana. On December 4, 1985 oleum fumes leaked from a plant in Delhi.

This year on February 16, carbon monoxide leaked from a tank of BHEL plant at Tiruchirapalli and on the same day gas leaked from the steel plant at Rourkela.

An ILO report points out: "Even though the statistics are inadequate, the rate of such accidents is several times higher in the developing countries than the developed. During last two decades while the labour force increased by 2 and 3 per cent in developing countries, industrial accidents increased by 5.3 per cent."

Indian Rate

"India is recognized to have one [of] the highest rates of industrial accidents," says a study by Dr. R.R. Nair of the Central Labour Institute (CLI), Bombay. The study further says: "Over the last 30 years, nearly 36,000 workers have been killed and 6.4 million injured in industrial accidents."

Studies by the Central Labour Bureau, Simla, National Institute of Occupational Health (NIOH), Ahmedabad, and some other institutes have revealed that over 7,000 deaths occur per annum in industrial accidents--three times the magnitude of Bhopal.

The industrial fatality rate in India is currently estimated as 0.14 per 1,000 workers, five to seven times higher than those prevailing in developed countries such as Japan (0.02), the U.K. (0.03) and the U.S. (0.03).

Even higher is the fatality rate in the unorganized sector. However, if the same figure is applied for industrial accidents, nearly 10,000 are killed every year.

#### Worst Sectors

A survey by the industrial design centre (IDC), Bombay, and industrial toxicology research centre (ITRC), Lucknow, reveals that five industrial sectors--textiles, metallurgy, machinery, manufacturing, chemicals and transport--are more accident-prone, accounting for over 80 per cent of the injuries.

The textiles sector alone, which employs 24 per cent of India's industrial work-force has the highest share--54 per cent of industrial accidents.

In fact, injuries in the textile industry have grown by 625 per cent between 1951 and 1978 while employment has grown by only 38 percent.

Four states, Maharashtra, West Bengal, Gujarat and Tamil Nadu with 49.6 per cent of the total factory employment, account for over 66 per cent of the injuries.

Maharashtra with 17.78 per cent employment has the highest share with 24.13 per cent of injuries, followed by West Bengal with 13.30 per cent employment and 22.21 per cent injuries.

Nearly five million man-days are lost each year through industrial accidents. The state insurance corporation and the compensation board pay out nearly Rs. 150 crores for the injuries.

Indirect costs like loss of production, damage to equipment and medical fees have also to be counted. The Loss Prevention Association of India estimated that total annual loss at Rs. 2,000 crores.

A common feature of the industrial accidents is that early warnings are ignored.

The negligence that characterises industrial operations was exposed by a committee headed by Dr. R.K. [name indistinct], head of the chemical engineering division, Bhabha Atomic Research Centre. The committee said: "Only 7 per cent of the chemical factories are safe."

#### Trade Unions

In developed countries, trade unions have exercised greater pressures in improving safety standards. Safety laws in Sweden give adequate powers to the worker's representatives to investigate and seek necessary information for discharging their duties.

Unfortunately, trade unions have not paid any attention to safety regulation in India. Only 40 of 800 unions are members of the National Safety Council.

India is not alone in third world countries where industrial accidents are prevailing. There are thousands of potentially hazardous plants in Philippines, South Korea, Singapore, Taiwan, Mexico, Brazil and Indonesia.

According to a report by the industrial development research centre, Canada:  
"During 1984 Singapore had reported 1,046 industrial accidents. In the second week of December 1984, in Taiwan, a methane gas explosion claimed 35 lives. A reservoir of liquified gas exploded on November 19, 1984, in Mexico killing 452 people.

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INDIA

RESEARCH CENTER REPORTS I.1 MAJOR RIVERS POLLUTED

Bombay THE TIMES OF INDIA in English 2 Mar 86 p 8

[Text]

NEW DELHI, (UNI):

**A**LL the 14 major rivers of India are highly polluted, according to a study.

Besides the Ganga, these rivers include the Yamuna, Narmada, Godavari, Krishna and Cauveri. These 14 rivers carry 85 per cent of the surface run-off and their drainage basins cover 73 per cent of the country.

Mainly because of this pollution, more than 60 per cent of the diseases in the country are water-borne and nearly 73 million working days are lost because of these diseases, according to a report by the National Environmental Engineering Research Institute (NEERI), Nagpur. The loss of productivity is about Rs. 600 crores a year.

While the Centre has taken up a detailed project to cleanse the Ganga, neither the Centre nor the state governments have any plans to cleanse other major rivers. Industries in most of major towns and cities discharge their waste into the nearest waterways.

**TOXIC EFFLUENTS**

Toxic effluents deplete the levels of oxygen in the rivers, endanger all aquatic life and also render water absolutely unfit for human consumption. Some times, the effects have been disastrous.

For instance a comprehensive study by Dr. Som Shekhar of Bangalore University reveals that metal pollution in Cauveri and Kapila rivers in Karnataka is threatening the health of people in the riverine towns.

According to Dr. Shekhar, there are at least 12 villages along a 10-km stretch of the Cauveri, whose residents suffer from boils and a burning sensation.

Yet, the Cauveri continues to receive industrial wastes in Tamil Nadu.

"Extremely toxic effluents from a number of industries including fertilisers, chemicals and metallurgy are dumped into the Periyar, the largest river of Kerala, resulting in a high incidence of skin problems and fish mortality," says a study by Dr. K. K. Mahajan, department of environment.

**BENGAL HORROR**

The study adds: "Andhra paper mills dump about 4,500 gallons of toxic waste in the Godavari river every day. The high amount of organic matter reduces the oxygen of river water, killing plankton and affecting other aquatic life." Damodar and the Hooghly, two major rivers in West Bengal, receive untreated industrial wastes from a large number of industries.

The Damodar receives wastes from coal washeries, steel mills, chemical industries, distilleries, pulp and paper mills.

"In terms of oxygen depletion eight industrial units in Durgapur dump wastes that are equivalent to the sewage of a population of one million," estimates Dr. A. V. Natrajan of the Central inland fisheries research institute (CIFRI), Barrackpore.

The Hooghly estuary is choked by the industrial wastes from more than 150 major factories, which includes 87 jute mills, 12 textile mills, seven tanneries, five paper and pulp factories and four distilleries.

**FISH CATCH FALLS**

According to the CIFRI, pollution has reduced the fish catch considerably and contaminated fish resulting in the



spreaod of bone diseases and arthritis.

Fertiliser and petrochemical complexes are identified as among the worst polluters of water.

The Gujarat state fertiliser plant and Indian Oil Corporation discharge their effluents into the Mahi river. This has killed fish, cattle and even elephant "says" Chemistry and Industry, a British science journal.

A high level of pollution has been found in the Yamuna. Every day in its 48-km stretch through Delhi, the Yamuna picks up nearly 220 million litres of untreated sewage and industrial effluents from city's 17 open drains. The Najafgarh drain alone accounts for 54 per cent of the pollution.

According to Dr. Mahajan, apart from other toxic wastes, the Yamuna receives every day about 6,000 kg of dissolved solids, 3,000 kg of heavy metals and 200 kg of detergent.

The Chambal, one of the main tributaries of the Yamuna, is considered the most polluted river of Rajasthan. The Chambal's water is unfit for consumption as evidenced by the large number of cattle deaths.

"People living on either banks of the Chambal from Nagda to Rajpura in a stretch of 20 kms are suffering from skin diseases like rash and itching," says a study by the department of environment.

Even in Orissa, the industrially most backward state, the Rushikula river is extremely polluted. It gets toxic wastes from a factory manufacturing caustic soda, which has totally eliminated the fish from the river.

The Kalu river which flows through Ambarnath, Ulhasnagar, Kalyan, Ambivali, Thana and Bombay's industrial suburbs has a high level of mercury, lead and other trace metals.

Fish get poisoned and cattle that graze on the plants in shallow water also accumulate mercury.

Symptoms of mercury poisoning like convulsions, hearing impairment, damaged vision and a numb sensation have been reported, "says a study by Dr. B. C. Haldar, director of the Institute of Science, Bombay.

Similar or even worse is the fate of other rivers in the country, the Krishna in Andhra Pradesh, Tungabhadra in Karnataka, Chaliyar in Kerala, Gomti and Hindon in U.P. Kanha and Narmada in Madhya Pradesh, and Sone and Subernekha in Bihar.

#### INEFFECTIVE BOARDS

India does have legislation on water pollution besides having water pollution control boards.

However the boards have been very ineffective in controlling pollution because they cannot shut down a factory for persistently disregarding safe pollution levels. Rivers have become synonymous with drains and sewers.

Sometimes, offending factories are made to install pollution control measures after local residents exert pressure.

According to the Central board for the prevention and control of water pollution, there are more than 1,700 industries which need waste water treatment plants. Only 160 industries have such plants.

/8309

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14 April 1986

## INDIA

## EVIDENCE OF LAWLESSNESS, HUMAN RIGHTS ABUSES DISCUSSED

Bombay THE TIMES OF INDIA in English 2 Mar 86 p 5

[Text]

BOMBAY, March 1.

THE rule of law co-exists in India today with the reign of terror, according to Prof. Upendra Baxi, director (research), Indian Law Institute, New Delhi.

He was delivering the Kumarappa-Reckless lecture on "Human rights in the administration of justice" at the Tata Institute of Social Sciences here today.

The docket of the Supreme Court is now exploding with accumulating prima facie evidence of the lawlessness of the Indian state, Prof. Baxi said.

Massive violations of human rights in the administration of criminal justice, custodial torture and tyranny, use of fatal force against suspects commonly described as "encounters", raping of women by the police, arbitrary arrests and detentions — these evils in Indian society showed that terror has come to stay as a part of governing India, Prof. Baxi said.

"Our protestations that India is a rule-of-law society are progressively muted by the growth of what Karl Marx described as the police-maniac character of the Indian state," he

added.

The Prime Minister, Mr. Rajiv Gandhi's attempts to diminish the links between the "underworld and the overworld" need to be backed by a series of institutional reforms in law and institutions of policing and judiciary, Prof. Baxi said.

"The problem of human rights in the administration of justice has been recognised by the international community through the formulation of general and specific standards," Prof. Baxi observed.

Though India had been an active and leading participant in the formulation of these standards, yet its own laws were "bereft of this humane content", Prof. Baxi said.

The constitution had yet to be amended to declare as a fundamental right every person's right to be immune from cruel, inhuman and degrading treatment, he added.

Prof. J. J. Panakal, noted criminologist, said that the Kumarappa-reckless lectures were organised annually to commemorate the services rendered by Dr. J. M. Kumarappa and Dr. Walter C. Reckless in the field of criminology.

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INDIA

## MUSLIM DIVORCE LAW RAISES PROBLEMS FOR DELHI

### Minister's Resignation Explained

Bombay THE TIMES OF INDIA in English 3 Mar 86 pp 1, 9

[Article by Arun Shourie]

[Text]

**BANATWALA** had introduced his bill to undo the supreme court's judgment on the Shah Bano case in March, 1985. It was coming up for discussion in parliament.

In August, Mr. Arif Mohammad Khan, then minister of state in the ministry of home affairs, was at a reception for the Assam student leaders — the accord had just been signed. He met Mr. Rajiv Gandhi and told the Prime Minister that he would like to speak on Mr. Banatwala's bill. "No, you will just be saying what the others are saying," Mr. Gandhi said.

"That is just the point," Arif told him. "I don't want to say what the others are saying. I am convinced that asking a husband to help look after an indigent woman whom he has divorced is in accord with the spirit of Islam, of the shariat".

The Prime Minister was suddenly interested, but after a few general remarks he walked off to talk to the other guests.

He returned to Arif. He now approved the idea of Arif speaking on the bill. He encouraged him to consult others also — scholars as well as other leaders of Muslim opinion.

He met Justice V. Khaliq who had earlier decided an important case on a

related question. In regard to the decision of the Kerala high court that a divorce given "under compulsion or in jest or in anger" would be "perfectly valid", in a subsequent case the judge had held: "My judicial conscience is disturbed at this monstrosity. The question is whether the conscience of the leaders of public opinion is also disturbed."

On the merits of the matter, the judge told Arif that he was completely right. But he counselled Arif against opposing Banatwala's bill. Rightly or wrongly, the whole community, he said, had come to feel that the supreme court had interfered in its personal law.

Arif met a Muslim professor of law who had authored a standard text-book on Muslim personal law. He had learnt that an entire chapter containing the plea for a common civil code had been removed from the new edition. The professor asked Arif not to oppose the bill. The ground related to the professor's assessment of the conduct of the supreme court on some other case involving Hindu law.

"But I ask you a simple question", Arif said. "If a well-to-do husband throws out his wife, and the wife has no way at all to keep her body and soul together other than to go about begging or selling her body, if her relatives

cannot maintain her, if the Muslim community being poor cannot provide for her, and if we then ask the husband to give her at least a little bit so that she can keep her body and soul together, will we be contravening the shariat? Will we be going against the spirit of Islam or acting in accordance with it?"

The professor agreed that asking the husband to do so would be in accordance with the spirit of Islam, and that there would be no contravention of the shariat. Conversations of this kind confirmed Arif in his resolve to speak up on the issue.

It was decided that Arif would speak on behalf of the government on Banatwala's bill. (Every private member's bill is 'addressed to' a particular ministry. That ministry then responds on behalf of the government, Banatwala's bill had been addressed to the ministry of home affairs. Arif was then the minister of state in this ministry.)

In his speech on August 23, however, Arif took a different tack. He established the liberal position on the basis of Quranic texts. The Quranic texts, the Sunna of the Prophet, that is in terms of the shariat itself.

He was loudly cheered by Congress MPs as well as by the opposition. Mrs. Najma Heptullah was among those who wrote to him "Allah kare zara

zuban aur ziyade", she wrote. The official of the home ministry who had prepared the brief too complimented him. "Our line would not have worked", he told Arif. "Yours was the effective way."

The session ended. The council of ministers was meeting. Mr. Rajiv Gandhi expressed satisfaction at the way the session had gone. He pointed to tasks ahead.

"The hero of the session", Mr. Ram Dulari Sinha, who too was then minister of state in the ministry of home affairs, said, "has been Arif".

The Prime Minister agreed and told them that he had already sent Arif a letter congratulating him for his speech. He had indeed, on August 25. He had not just congratulated Arif for his personal performance. He had said how happy he was to note the widespread appreciation that the speech had evoked in the country.

At a meeting of the cabinet committee on political affairs a few weeks later, Mr. Gandhi again praised the stand Arif had taken. Arif is an asset to the party, he said. One can find many liberals in the community, he said, but seldom does one come across a man of such courage. This warm praise was reported to Arif by a member of the committee.

A few days later, talking to three journalists, Mr. V. P. Singh, the Union finance minister, used identical words to commend Arif. One of the journalists told Arif what Singh had said.

Things began to sour, however, at the time of the campaign for the Assam elections. "Arif has alienated the Muslims", it was said. "We must do something to win back the Muslims".

#### ANSARI'S TIRADE

Mr. Z. R. Ansari, also a minister of state, spoke denouncing not just the judgment of the supreme court but the court itself. He characterised the judge as tell-tambolis (common oil-pressers) who had set themselves up as scholars and interpreters of law. (At the supreme court a senior judge raised the matter more than once in the morning get-together and urged the chief justice to write to the Prime Minister protesting against the tirade.)

Arif felt let down. After all, he had spoken on behalf of the government. He had spoken after talking to the Prime Minister. He had spoken after being briefed by officials of the Union law ministry as well as of his own home ministry.

He had incurred the opprobrium of many Muslims. Urdu papers and leaders of the Muslim League had been denigrating him, saying that he was opposing Banatwala's bill "to

strengthen his hold on the ministerial chair."

His misgivings were soon allayed. To his surprise he was told that the Prime Minister, who was visiting Oman, had personally substituted Arif's name for that of another minister to accompany him on the visit. Arif was given to understand that this had been done to counter the impression that the Prime Minister had decided to dissociate himself from Arif's stand on the Shah Bano case.

The trip confirmed Arif in this impression. In fact, it was further suggested to him that the Ansari business was meant strictly for consumption in Assam. Arif chose to believe this rather than what Mr. Rajiv Gandhi had himself said at Ansari's subsequent conference that the government was considering changes in the law that would take Muslims out of the purview of section 125.

Early in February Arif was told that the government was in fact thinking of introducing a bill to this effect. He met among others the Union law minister, Mr. A. K. Sen. He was told that the government had come to an understanding with the religious leaders. These, Arif was astonished to learn, had now been accepted by the government as spokesmen of the Muslim community. They included leaders of the Muslim League, the Muslim Majlis, the Muslim personal law board, the Majlis Ijtihad-ul-Musalmeen — each of them a rank communal organisation.

He was told that the bill would have the parents and other relatives of the divorced woman maintain it, and, if they could not, the wakf board would.

Arif pointed to the gross injustice of the bill, how the law would now relegate Muslim women to a position abjectly inferior to that of other women in the country. He also pointed out that the clause about the wakf boards was quixotic.

He had personal knowledge of the financial position of wakf boards from his work in U.P. On the eve of festivals they have to run around asking for handouts from the state governments even to pay a little advance to their employees, he told Sen.

In any case, where does the Quran say, what part of the shariat say that blood relatives must maintain a divorced woman or that wakf boards should? In fact the assets and proceeds of a wakf can be used only for purposes for which it has been created, Arif said.

Sen agreed on every point but kept saying that the religious leaders thought this could be done.

Arif was now convinced that if the government persisted in introducing

the bill, he would have to resign. Over the next two weeks he met few people, and he began to stay away from his office bit by bit.

Mr. A. K. Sen finally introduced the bill on February 25. The bill hurt Arif but Sen's remarks while introducing it hurt even more. The law minister said that it had been the consistent policy of the government that in matters pertaining to a community priority should be given to the leaders of that community.

An MP interjected, had the government not seen the statement that 125 eminent Muslims had signed? They included the senior-most diplomats, a sitting member of the planning commission, a vice-chancellor, senior officials of the government itself.

They are just "dancers and actors", Mr. Ibrahim Sulaiman Sait, the president of the Muslim League, shouted. No one in government contradicted him.

#### RESIGNATION LETTER

Arif was horrified. It was the "sole spokesman" business *a la* Jinnah all over again. He wrote out a two-line letter of resignation and twice proceeded to meet the Prime Minister. Both times he returned to his seat.

The introduction of the bill was over around 4.30 p.m. On his way out he told Mr. V. George, the personal secretary to Mr. Gandhi, that he would be sending a letter for the PM and that George should hand it over as soon as he received it.

"But aren't you coming for the 6'0 clock meeting?", George asked him. (The council of ministers was to meet, and Arif was to have attended it.) "No, I may not be able to attend it", Arif told him, "but please to it that the PM gets the letter before the meeting starts".

Arif went home, sent his letter, and left his house for another place. The letter was duly handed over to Mr. Gandhi. There were phone calls to Arif's house but the callers were told that he wasn't home.

The next morning he was called to see Mr. Arun Singh. Mr. Singh had Arif's resignation letter with him when the latter met him in the outer lobby in parliament. They spent over an hour together. Arun was, as always, polite, soft-spoken and understanding.

Arun told Arif that he had gone up in his esteem. What he was doing was indeed the thing a man of principle would do. No man of honour could have done less. But, he said, it would have the unfortunate consequence that from now on no one would dare to even differ. Everyone would cite what happened to Arif. For this reason, Mr. Singh said, he should withdraw the resignation.

Arif explained his difficulty in the matter. He had spoken at length on the

question. He had incurred the opprobrium of many in his community for doing so. He felt that the government was dealing with rank communalists and fundamentalists. This was against everything the Congress had stood for. The injustice that would be inflicted on Muslim women ... we were going back to the pre-partition days.

Mr. Arun Singh agreed with everything. He told Arif that he understood his difficulty in the matter. He might himself have resigned in such a situation, he said. He agreed on the fundamentalists too. Whatever reasons were given in favour of the bill, he said, the fundamentalists were bound to claim it as their victory.

Arif's resignation would embarrass the Prime Minister personally, Mr. Singh explained. In any case, Arif had done what his conscience required him to do. And what if the Prime Minister now turned down his request to be relieved of his office, Mr. Singh asked.

He would have to stay, Arif said. But he would be no use to the government or the party. He could just shuttle between his home and his office. He would never go to his constituency or elsewhere.

You say the fundamentalists are the leaders, he said. But the people voted for the Prime Minister, they voted for you, for all of us, not for the fundamentalists.

Arif was called to meet Mr. Arun Nehru. They met thrice each time in the same outer lobby in the view of many MPs. The conversation followed the pattern of the earlier one. Mr. Nehru too agreed with every point Arif put forward, and lamented that such a situation had arisen. But now they were under a "compulsion". The "compulsion" was not spelled out. But Arif gathered that the agitations and the hysteria that had been whipped up had had their intended effect.

Like Mr. Arun Singh, Mr. Arun Nehru too appreciated Arif's difficulty. He too said that he also might have resigned in a similar situation. But what if, Arif having sent in his resignation, the PM did not accept it?

Finally, Arif met Mr. Gandhi at 9.15 that evening. They were together for half an hour. The Prime Minister was courteous, even sympathetic. Arif went over the points one by one. Mr. Gandhi seemed to appreciate each of them. He too put the blame at the unfortunate situation that had arisen. He did not defend the bill much.

His final question was to ask Arif what should be done so that people would not say that he, Mr. Gandhi, had dumped him. Arif thanked him for the sentiment but explained that the prime minister was in the best position to judge what should be done in the circumstances.

#### PRIVILEGE MOTION

I have not known Arif. Our paths have crossed only once before. He was once kind enough to read an article of mine in 1980 and file a privilege motion against me. This time around, after the first part of my articles on the Shariat appeared, he was good enough to come over to discuss the law, and gently corrected my understanding of it.

It is clear that he has taken a stand on principle. He is concerned that the government has lent respectability to rank communalists, that it has accepted the twin fatal assertions, first, that Muslims alone can speak for Muslims, and, second, that among Muslims the fundamentalists alone speak for Muslims.

This, he has told Mr. Gandhi and his aides, and he affirms today to his colleagues in the Congress, takes us back to the pre-partition days. Then too, he recalls this is precisely what the Muslim League used to say. This is precisely what the Congress fought against.

He is convinced that the bill is bad on merits, that it goes against the tenets of Islam, that it will compound the grave injustice from which Muslim women already suffer. He has done a great deal of work on the question. As we talked on the law in my study two volumes of the nine of *Sahih Bukhari* (the most highly revered collection of the traditions of the Prophet) happened to be lying among the pile on the table.

"Here, look at this," he said, "this is volume 7, isn't it? Look at pages 199 and 200." He opened them and read the chapter heading, 'The gift given by a husband to a divorced lady for whom mahr has been fixed, by virtue of the statement of Allah:

'There is no blame on you if you divorce women while yet you have not touched them nor appointed unto them their dower (mahr). But bestow upon them (a suitable gift) ... truly Allah is all-seeing of what you do! (Quran, 2.236-137).

'And Allah also said,' he continued reading from Bukhari, 'And for divorced maintenance should be provided on a reasonable scale. This is a duty on the pious. Thus Allah makes clear his signs to you in order that you may understand.' (Quran, 2-241-242).

Nine Muslim countries, he says,

already have laws that require the husband to provide maintenance to the wife he divorces. A Pakistani alim, he has been told, has written in a Lahore newspaper that the assertion of some Muslims here that in decreeing maintenance the Indian supreme court has thwarted shariat, is derogatory to Islam. To buttress his case he quotes the paragons of fundamentalism itself from Maulana Maudoodi to Mustafa As Sibase to Abu Zohra.

Many ministers are articulate, even I have met a few of them. But this is the first time that I have met a minister who can pick up the right volume of a theological text and at once turn to the right page.

It is rare to have a minister stand up for a principle these days. Therefore, even if this was all there was to the matter, it would still be a significant event. But there is much more to it.

First, the cost of having as our Prime Minister a person who does not have a adequate background on public issues is becoming clearer by the week.

The most charitable interpretation that one can put on this episode is that Mr. Gandhi just did not know what he was talking about, that faced with a few demonstrations the government funkcd, that in the panic it thought that the only way to buy peace was to strike a deal with the obscurantists. Because of his lack of background the Prime minister does not seem to be able to appreciate the point of principle involved in an issue or the wider implications of a step.

But the episode reveals something even more disturbing. The government remains what it was to begin with — a Prime Minister, a cousin, and one school friend. Today one minister after another says in private how he regrets the bill, but he says nothing in public.

The bill was not considered by the council of ministers at all before it was introduced in the Lok Sabha. It was put to the council after it had been introduced by Mr. A. K. Sen on February 25, and then, it was, of course, presented as a *(fait accompli)*.

And in this case even the Prime Minister and his two closest associates do not seem to enter a defence of the measure in private. It is as if the government is sleep-walking. They speak of "the unfortunate situation that has arisen", of 'the compulsions'. "It was a political decision," the Prime Minister at last told the Congress parliamentary party on February 28.

There is, of course, a lack of background and of preparation on public issues. But there is also an obstinacy.

"The moving finger having writ, moves on", we are being told, "and not all thy piety nor wit..."

There is moreover no question of elementary loyalty. A colleague is encouraged to take a stand. The stand, in some myopic vision, later seems inconvenient. He is dumped.

And there is the incipient chicanery — "Leaders of the community have been consulted." In fact, what has been done is that a deal has been made with the obscurantists. "A comprehensive background paper will be circulated setting out provisions of the law as they prevail in Islamic countries". No paper is circulated.

"There was some delay on this matter on our part," says the Prime Minister. That is not what I hear. My information is that the information was collected, and it was ready.

It was collected in parties by our embassies in Muslim countries, I am told. But it showed that one Muslim country after another had in fact modernised its family laws. That is why the promised paper was not circulated. (And it stands to reason. A Prime Minister who is so particular about sticking to "time-bound programmes" is not likely to have forgotten his pledged word so lightly.)

The provision about wakf boards is touted when in fact Mr. Arun Nehru, Mr. A. K. Sen, Mr. Arun Singh, among others, know that these boards are in no position to help indigent castaway women. Once again the government is dressing its funk in principle, this time in that of the primacy it says it has always accorded to the views of the leaders of the community.

The signal will not be lost on anyone. Certainly not in Punjab. Having expressed so much solicitude for the personal law of Muslims, how will this government deny the demand for a separate "Sikh personal law" that the Akalis had put forward and which is duly listed in the official white paper on the Punjab agitation.

And surely if our parliament is to codify personal laws of different religious communities, it must be guided by the clerics of each community. The secular parliament of what the constitution says, is a 'sovereign socialist democratic republic', a parliament enjoined by the same constitution to 'endeavour to secure for the citizens a uniform civil code throughout the territory of India', 'to renounce practices derogatory to the dignity of women', and 'to develop the scientific temper, humanism and the spirit of inquiry and reform'.

Letter to Rajiv From Former Justice

Calcutta THE TELEGRAPH in English 4 Mar 86 p 7

[Former Supreme Court Judge V.R. Krishna Iyer's letter to Prime Minister Rajiv Gandhi on the Muslim Divorce Bill]

[Text]

February 28, 1986.

Dear Shri Prime Minister,

I am reluctant to write this unpalatable letter to you, knowing that your mind is perhaps dead set on the 'amendatory' solution to the Shah Bano syndrome. But beholding vividly the macabre portents of the legislative Bill now being hurriedly piloted through Parliament, I cannot remain silent. You are our Prime Minister and it behoves me, as a citizen, to do my duty by my country and speak publicly when dangerous mistakes are unwittingly made by the highest political echelons. Criticism is a duty where public power goes awry. And men in authority have a patient responsibility to keep themselves fully informed of others' viewpoints. Prof. Whitehead put it best:

"Duty arises from our potential control over the course of events. Where attainable knowledge could have changed the issue, ignorance has the guilt of vice."

I plead with you, dear Prime Minister, to remember Cromwell's historic words:

"I beseech you, in the bowels of Christ, think it possible you may be mistaken."

All of us are fallible, after all. I want you to win the battle for gender justice but wish you did abandon what mayhems their right to equal justice.

I need not remind you that not only are secularism and equality non-negotiable constitutional fundamentals but gender justice is a pregnant facet of social justice which too is a guarantee of the *Suprema lex*. No Prime Minister, no Parliament should defeat or diminish these hallowed values. The Preamble Pledge of equality of status and the fundamental right to equal protection of the laws, with special provision for women and children, make legal discrimination on the ground of religious denomination (attempted by the dubious Bill) anathema and invalid. To keep harrowing Muslim

women out of the benign ambit of Section 125 when traumatically *talaged* by heartless husbands and to promise them the illusory prospect of being freed from a bizarre basket is blatantly unconstitutional and litigatively treacherous; and even if three readings and an assent, together with 'the mysterious virtue of wax and parchment' get the Bill into the statute book the final verdict belongs to the Constitution and the Court and, ultimately, to the people. Will this law meet with its Waterloo at the next pools with Hindu fundamentalists and Muslim fundamentalists, both inflamed by this indiscreet amendment, struggling for the victory of numbers? Secularists will be a sore minority at the elections, and should the sleeping Hindu giant be provoked into communal frenzy? Every measure to buy ayatollahs' pleasure alienates the 'Viswa Hindu' incendiaries. That is the tragic

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price. The impact on the stability of the state is best guessed by those who know history.

You did, in a brief span when you began, display remarkable resilience and refreshing freedom from inhibitions while handling difficult issues, national and international, although I am afraid grave errors haunt your naive steps. Optimism is not opium, and so, I feel that if flaws in

policy are brought home to you the vanity of consistency may not forbid your will to navigate the ship of state along a wiser course. In this hope, I pen these words of concern and correction before tragic sequelae complicate the situation. You may misunderstand my motive, may disrelish my diction and may even be dyspeptic about my irreverence. I assure you that my purpose is to place a point of view before you. Nor am I so opinionated as to delude myself that my opinion is impeccable. My object, in this long letter, is to persuade you that the Shah Bano nullification Bill is born in communalism and will perish in communalism but the processes are often perilous. I pray that you preempt the evil by advance wisdom. 'History is a cruel stepmother, and when it retaliates, it stops at nothing.' When forces of destabilisation and injustice seek to hold our nation as hostage to reaction and divisive politics is fuelled by fundamentalists and chauvinists we cannot afford the luxury of myopic mistakes. The best gift for national disintegration and incendiary communalism is the anti-secular, anti-Shah Bano amendment Bill now under way. Please desist.

Let me explain a wee bit more the pathological potential of the nascent legislative exercise.

Section 125 CrPC is obviously a secular provision designed to salvage all divorced damsels in penurious distress, regardless of religion, from the throes of desperate destitution, which may drive them to prostitution and other survival alternatives. This provision is sustained by Article 15 of the Constitution and applies to all women equally. Any exclusion of one religious community is a plain violation of the fundamental right to equality. Illusory alternatives driving Muslim women to seek mainte-

nance from their parents and from the Wakf Board (most of which have little in the kitty) are clearly and substantially discriminatory. You could as well put Hindu and Parsi and Christian women under the same handicap and drive them to their religious trusts. Why pick on Muslim women? They are the major victims, as statistics show from a study of applications for maintenance under Section 125 CrPC.

You will easily appreciate that *this provision has no relation to liability to maintenance under the personal law*. The jurisdiction is different, the measure and procedure are different. One is rooted in family law, the other in public order and social justice. To confuse between the two is to be guilty of judicial cataract.

Section 125 CrPC is of British vintage broadened by the benign Parliament. The twenty-first century is a summons to move forward progressively, not to retreat regressively, frightened by sixth century primitivism. Section 125 rescues needy divorcees, rendered homeless, from moral danger resorting to means of livelihood contrary to peace, tranquility and social health. Such a provision is founded on the secular values of our Republic and is expressly contemplated in Article 25, which empowers the state to make provision necessitated by public order, morality and health. To contend that Section. 125 is *for or against* any religion is a crass caricature of the scope and purpose of the law. To invoke 'religion in danger' to resist a provision based on the constitutional concern for public order, morality and health envisioned in Article 25 is to draw the red herring across the trail. Three decisions of the Supreme Court, which have consistently affirmed this approach, are enough author-

ity to negative the fundamentalist distortion. Masculine obscurantism, Muslim or Hindu, should accept the law laid down by the highest Court explaining the *raison d'être* of the measure.

True, some ayatollahs of India and their political muktiaars are making noises as is their wont, as if Islam would decline, if women in distress were kept contented! What a travesty of truth! Many hundreds of liberal Muslims and many organisations of Muslim and other women have, to my personal knowledge, applauded the Shah Bano ruling and have been outraged by the reversal of the ruling through the legislative process. It is a grievous error to exalt the strident few reactionaries and pachydermic communalists as the sole representatives of the masses of women. Women's status is at stake; kindly discover the truth before it's too late. There is bitter disappointment among Muslims and total disenchantment among women consequent on the surrender of the Prime Minister to a handful of surrogates in Parliament whose 'sound and fury' scare him and make him deaf to the deeper feelings of the broader community.

What is more, there is a terrible danger of Hindu communalism being whipped up on this score. The temperature is hotting up. Bigots on both sides are busy. I implore you not to let down our secular stability, the political motive being transparent. Nehru said at Calicut, as Prime Minister, the Muslim League is a dead horse. Should you, as Prime Minister, use it as your mentor? Cliques and claques may later betray.

I see ominous signs of passions rising and feel nervous about the backlash of communal conflicts and poll verdicts. After all, the Supreme Court has interpreted and there is no provocation for scuttling a salutary decision. Kindly note that in Kerala, as elsewhere, the Muslim intelligentsia and women have been awakened and large numbers of responsible people are denouncing the pseudo-Shariatariat. May I entreat you not to stand on prestige, which is a poor defence in crisis, but to base yourself on human rights and social justice, so that principled politics may overpower communal politicking?

You rightly stress that communalism shall not be a political tool. But deeds and words must match. Whatever your assertions to the contrary, the present 'Muslim' Bill is blatantly communal. '*Et tu Brute!*' may be history's comment. When the genetic code of this alleged Protection Bill and its communal DNA come to be decoded I have little doubt about the analyst's report. Already communal passions, on this Bill, are beginning to convulse. Why punish innocent Muslims and Hindus? You have shown dynamic departure from previous wrong policies and so may I humbly summon your statesmanship?

Let me tell you that the Bill is a sin against the Quran and the constitution of Wakfs. Many Islamic scholars hold that the Koranic command to husbands to pay upkeep expenses to divorcees beyond the period of *iddat* is clear. Again, Wakfs are religious and charitable trusts by pious Muslims to perform specified holy acts for their spiritual benefit. It will be sacrilege to divert these funds for maintenance of other people's wives. Many Wakf Boards are themselves poor and it is an illusion to make them caretakers of jilted and jettisoned wives. The whole project is a legislative *tamasha*? Please don't stultify



**'My object, in this long letter, is to persuade you that the Shah Bano nullification Bill is born in communalism and will perish in communalism but the processes are often perilous'**

our great Parliament. Already the Supreme Court judges have been insulted by minister Ansari in Parliament.

May I conclude with a prayer to you on behalf of Indian women, human rights defenders, secularist radicals and constitutional advocates?

The Bill to kill the Shah Bano decision of the Supreme Court is the unfortunate political product of a creative genius for multi-dimensional injustice. The Bill is an injustice to our Republic's secular principle; it is an injustice to women's basic rights and, therefore, violative of human rights; it is an injustice to the egalitarian policy in our Constitution in Article 14 and 21 and 25; it is a vindictive injustice to Muslim women selling the soul of the state's humanism to obscurantist fundamentalists; it is an injustice to the holy Quran which insists on payment of maintenance of divorced women in distress; it is an injustice to the twenty-first century because it throws us back to the sixth century to buy Islamic votes through the noisy illusion of electoral support of fundamentalists whose hold on the liberal Muslim intelligentsia and the suffering masses of women is marginal; it is an ultra vires injustice to the law of Wakfs because Wakfs are not trusts to look

after privatised wrongs inflicted by irresponsible *talaqs*: it is an injustice to family integrity because it is fraught with potential for litigation between close relatives. It is an injustice to pragmatic working of the law because, functionally speaking, the provisions lead the destitute to several cases in search of a pittance; it is an injustice to national stability, because the secular credibility of the government will be a casualty. The dictate of the social dialectics of India today leaves no choice. But as Karl Menninger put it:

"The voice of the intelligence is soft and weak, said Freud. It is drowned out by the roar of fear. It is ignored by the voice of desire. It is contradicted by the voice of shame. It is hissed away by hate, and extinguished by anger. Most of all it is silence by ignorance."

With kindest regards,

Yours sincerely,

Sd/—V.R. Krishna Iyer

Hon'ble Shri Rajiv Gandhi,  
Prime Minister of India  
New Delhi—110001

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CSO: 4600/1521

INDIA

PAPERS REPORT ON DEVELOPMENTS IN PUNJAB

Composition of New Cabinet

Bombay THE TIMES OF INDIA in English 3 Mar 86 p 1

[Text]

**The Times of India News Service  
CHANDIGARH, March 2.**

**T**HE Punjab chief minister, Mr. Surjit Singh Barnala, today strengthened his ministry with the addition of five members.

Five Akali legislators, two each from Amritsar and Gurdaspur districts, and a non-Sikh from Bhatinda, were sworn in as ministers of state at a hurriedly organised Raj Bhavan ceremony this afternoon.

The governor, Dr. Shankar Dayal Sharma, administered the oath of office and secrecy. Those inducted into the ministry are Mr. Natha Singh (Gurdaspur), Mr. Kasturi Lal (Bhatinda), Mr. Shash Pal (Amritsar), Mr. Harbhajan Singh Sandhu (Amritsar) and Mr. Sucha Singh Chhottepur (Gurdaspur). Their portfolios will be

announced tomorrow.

Mr. Barnala promised another cabinet expansion to come after the Vidhan Sabha session beginning tomorrow, and ending on March 25.

Mr. Barnala, thus, continues to keep alive the expectations of a score of ministerial aspirants among party legislators. Besides, he declared that the posts of chairmen of over 20 state-run corporations would be filled later this month.

The choice of new ministers was apparently guided by the general impression among a section of the people that those in the Majha belt (Gurdaspur and Amritsar districts) were being "ignored" by the Barnala government.

Replying to a question, Mr. Barnala said Gurdaspur and Amritsar districts were in the sensitive area and "I thought it was appropriate to include in the ministry members from this area".

The chief minister stated that he wanted to consult his senior party colleague and former chief minister, Mr. Prakash Singh Badal, about the cabinet expansion. "I went to his residence this morning, but he was not in town," said Mr. Barnala.

## Punjab Governor's Speech

New Delhi PATRIOT in English 4 Mar 86 p 1

[Text]

### Our Staff Correspondent

Chandigarh, March 3

**P**unjab Governor Shankar Dayal Sharma has said that any attempt to delink the implementation of Rajiv-Longowal accord from the efforts to usher in peace, harmony and normalcy in Punjab can only signal a dangerous slideback in the absence of a comprehensive political vision.

In his address to the Budget session of the Punjab Vidhan Sabha here today, the Governor said the signing of the accord was an eloquent acknowledgement that the rise of terrorism had political causes and could only have a political solution. Peace in Punjab was directly dependent on the implementation of the accord, he added.

He said Prime Minister Rajiv Gandhi should take immediate steps to implement the accord. "Any further delay in the transfer of Chandigarh to Punjab was fraught with serious implication for peace and stability in the region", he added.

The Governor said the interests of Punjabi society as a whole demanded that the concerned quarters rise above narrow political consideration and sort out the problem with courage and sagacity. "On its own part my Government was fully committed and determined to curb the activities of extremists and anti-national elements who were bent upon creating disturbances. The lack of will to implement the accord in toto would also amount to letting the Punjab electorate down who overwhelmingly voted for peace, amity and normalcy and against the forces of destabilisation during the last elections", the Governor added.

The Governor read his address in Punjabi. On arrival at the ceremonial gate of the Vidhan Sabha complex, the Governor was received by Speaker Ravi Inder Singh and secretary Vidhan Sabha Pratap Singh. He was escorted

to the podium in the high domed pillarless hall of the Vidhan Sabha.

As soon as the Governor began his address leader of the Congress Opposition Gurbinder Kaur Brar rose to read a parallel address. She was not audible. Her party colleagues on the Opposition benches barged into the well of the House and sat on a five-minute long dharna as their leader read her address. Minutes later the Congress members staged a walk-out raising slogans like "*Qatil di sarkar-murdabad* and *bucharan di sarkar-murdabad* (down with the Government of murderers and butchers).

The text of the parallel address read out by Mrs Brar was later circulated in the press gallery. The slogans shouted by the protesting Congress members were also circulated to the mediamen.

Some Congressmen later claimed that today's symbolic protest against the continuing killings of the innocent people and policemen in the State had the prior approval of the Congress high command. "We were no longer willing to continue the earlier exercise of mutual appreciation with the Akali Government", the sources in the Congress Legislature Party added pleading against identification.

Before the arrival of the Governor under tight security Chief Minister Surjit Singh Barnala specially went over to Mr Parkash Singh Badal for a handshake. He also showed to the newly appointed five Ministers of State their seats in the front row of the treasury benches.

The bulk of the address delivered by the Governor dwelt on the problems arising out of the "Operation Bluestar" in the Golden Temple, Army action in Punjab, desertions in the military ranks, November riots in Delhi and elsewhere and the need to rehabilitate the affected in all these tragic

circumstances.

At page two of the address a special brief annexure was added demanding the early release of those arrested from the Golden Temple during the Army action and who were still rotting at Jodhpur jail. The Governor, through this special mention, noted with satisfaction that as envisaged in the Rajiv-Longowal accord the Centre had now appointed a committee of legal experts to review the cases of those lodged at Jodhpur jail and emphasised their early release.

The rest of the address threw light at the Government measures to reactivate the industrial progress, expansion of the agrarian base and provision of basic amenities, like health services, education and more avenues for employment. The Governor also announced his Government's intention to set up "Punjab Adarsh School Organisation" (PASO) to provide more avenues and opportunities of better education to the brilliant students in the countryside. PTI adds:

"The time ahead of us is indeed critical but given the will and move of our people for the State, I am confident it can be turned into a period of hope and fulfilment."

Dr Sharma said new challenges had cropped up which would have to be faced with the same enlightened approach and determination which the people had displayed in bringing the democratic processes back to the State.

The Governor said his Government had withdrawn or dropped cases against 2,162 persons till 17 February, 1986, following recommendations from the committee headed by Mr Justice A S Bains, which was constituted to consider the cases of persons facing prosecution in criminal cases registered on or after 1 August, 1981.

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CSO: 4600/1521

INDIA

GANDHI RAJ SABHA REMARKS AFTER SINGH SPEECH REPORTED

Bombay THE TIMES OF INDIA in English 6 Mar 86 p 1

[Text]

NEW DELHI, March 5.

**T**HE Prime Minister, Mr. Rajiv Gandhi, refuted in the Rajya Sabha today Sri Lanka's allegation of Indian "involvement" in the ethnic problem in the island republic.

Describing the charge as "baseless", Mr. Gandhi said India had only tried to help evolve a negotiated political settlement. "We wanted Sri Lanka to do more than just profess its faith in a political solution. There should be concrete action in this direction," he added.

The prime minister was replying to the marathon discussion in the house on the vote of thanks to the President for his address.

The motion was later adopted by a voice vote, after all amendments moved by the opposition members were rejected.

**DIG AT OPPOSITION**

In his hour-long speech, Mr. Gandhi sought to highlight the achievements of the government in various fields. He, however, did not make any mention of the controversial bill on Muslim women's rights.

Mr. Gandhi's attempts to have a dig at the role of the opposition provoked the opposition members, but brought cheers from the Congress benches.

While hailing the formation of SAARC as a positive step for promoting regional co-operation, Mr. Gandhi referred to Pakistan and Sri Lanka as the two "tension areas" in the region. India had done a great deal to reduce the tension.

The pace of improvement of relations with Pakistan was "very slow", despite the exchange of visits at the

highest level. India's reaction would now depend on Pakistan's response, he said.

Referring to the U.S., Mr. Gandhi said some "basic mistrust" had been removed but there still were "questions" in the minds of leaders in both the countries. However significant headway had been made, he maintained.

About the Soviet Union, the prime minister said India had old, tried and trusted friendship with that country, which had been strengthened and would be strengthened further.

Mr. Gandhi claimed that his government had fulfilled most of the promises made by it last year. The economy had fared exceptionally well, keeping inflation rate under check.

All major development programmes were being regularly monitored. Corruption was being fought at various levels to ensure good, clean public life. The country's cultural heritage was sought to be protected even while introducing new technology. New policy directions had been given to various economic fields, Mr. Gandhi said.

A comprehensive legislation would be brought to ensure adequate environmental protection. A citizen would be given the right to move the court if his privileges were infringed, Mr. Gandhi said and added that the purification of Ganga had already started and the Hardwar section of the river would be clean by the time Kumbh Mela started.

Agriculture and poverty alleviation programmes were accorded the highest priority, Mr. Gandhi said. The basic economic and social priorities had remained unchanged since the beginning of the planning era. The latest budget aimed at burdening the rich and helping the poor. The status of public

sector was being maintained to allow it to play a major role, he clarified.

Referring to political developments, the prime minister said his government had fulfilled the promise of solving the Punjab and Assam problems.

The opposition members who were listening to the prime minister fairly quietly got excited after Mr. Gandhi repeatedly pointed out that they were not reacting adequately to the announcements on the country's achievements.

INDIA

# PILLAI SAYS RIVAL NDP GROUPS TO MERGE

Bombay THE TIMES OF INDIA in English 4 Mar 86 p 7

[Text] Trwandrum, 3 Mar--The election of Mr Kidangoor Gopalakrishna Pillai, former high commissioner to Singapore, as president of one faction of the National Democratic Party (NDP) at a "unity convention" here yesterday may mark a determined bid to increase the party's political clout.

It also marks the re-entry into active politics of Mr. Pillai, who was president of the undivided party until 1983.

While members of the group led hitherto by Mr. Therambit Ramakrishnan, MLA, participated in the convention, the faction headed by Mr. P.K. Narayana Panikker, general secretary of the Nair Service Society, boycotted it.

Mr. Panikker has charged the former NDP strongman with trying to make the party "an appendage to the Congress."

Addressing a press conference here today, Mr Pillai conceded that the unity efforts initiated by him following his return to Kerala in January had proved fruitless so far and said: "There are some hurdles in the way of immediate unity but the rival groups are bound to merge after some time."

He also said the NDP convention expressed resentment at the failure of the United Democratic Front ministry to take any steps to provide reservations for economically backward sections among the "advanced" communities though its coordination committee had taken a decision in this regard over two years back.

A draft policy statement adopted by the meeting underscored the continuing relevance of the NDP. It said the concept of "one-party rule was a distant dream" in the prevailing political situation in Kerala.

The NDP would cooperate with parties with which it could work without sacrificing its basic principles.

The statement expressed concern about the manner in which people belonging to certain religions had, in the name of minorities, "cornered more benefits than they deserved, through pressure tactics."

It called for a redefinition of minorities, at present classified according to national norms. Instead, a particular group should be categorised as a minority on the basis of factors like the size of its population in a specific region and the progress made by it in the socioeconomic and political spheres.

The party regretted that while a ceiling had been imposed on agricultural holdings there was no such restriction in respect of estates.

Calling for the strengthening of Centre-state ties on the basis of true federalism, it said: "The Centre has a responsibility to ensure that the people of any state do not feel they are being neglected."

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INDIA

BJP PLENARY SESSION SCHEDULED FOR 9-11 MAY

Calcutta THE TELEGRAPH in English 3 Mar 86 p 5

[Text]

**New Delhi, March 2:** The second plenary session of the Bharatiya Janata Party will be held here from May 9 to 11. The plenary will be preceded by a two-day national executive meeting from May 7.

The three-day plenary, initially scheduled from April 4, has been deferred due to nonavailability of the Indira Gandhi Indoor Stadium—its venue. The stadium has been booked for the revised date, party sources said. About 10,000 delegates are expected to participate in the plenary.

The first plenary session of the party was held in Bombay in December 1980, eight months after the erstwhile Jan Sangh faction had broken away from the Janata Party.

The party has deputed Mr Jagannath Rao Joshi as the all-India returning officer to conduct the election of the party president, if it becomes necessary. Nominations will be accepted till March 7 though so far no one has filed it. This gives credence to the belief in political circles that Mr Atal Behari Vajpayee would continue in the post. His likely successors—Mrs Vijay Raje Scindia and Mr L.K. Advani are also reportedly pressuring Mr Vajpayee to continue as party president.

In case, other candidates file nominations, scrutiny will take place on March 8 and the last date for withdrawals will be March 12. The election, if necessary, will be held on March 23.

The central party office today announced the list of 20 state unit presidents, 13 of them new faces, who were elected unanimously. The elections are yet to be completed in Punjab, Chandigarh and Tripura.

**Imphal :** About 3,500 BJP workers resigned en masse from the party yesterday, according to a press note issued by Mr Haobam Borobabu Singh, former secretary of the Manipur state unit, adds UNI.

A party release issued here yesterday said that all presidents of five district units, including executive committee members, had also resigned from the party.

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CSO: 4600/1520

INDIA

GORBACHEV, SHEVARDNADZE PLANNED VISITS DISCUSSED

Madras THE HINDU in English 6 Mar 86 p 9

[Article by G.K. Reddy]

[Text]

From G. K. Reddy

NEW DELHI, March 5.

After the conclusion of the 27th Soviet Communist Party Congress in Moscow, convened by the new leader, Mr. Mikhail Gorbachev, to consolidate his power base, the Soviet Union is expected to launch a major diplomatic drive in Asia and Africa to retrieve some of its lost influence in the Third World, before the next round of summitry with the U.S.

As one who has already dazzled the West with his agreeable temperament, Mr. Gorbachev is reported to be giving high priority to the restoration of Soviet credibility in Asia, which has suffered considerably in the wake of its military intervention in Afghanistan.

**Better relations with U.S.:** The Soviet Foreign Minister, Mr. Edward Shevardnadze, will visit several Asian countries in the course of the next few weeks to explain the new Gorbachev approach to nuclear disarmament and international cooperation in the context of the recent steps taken by the Soviet Union to establish a better working relationship with the U.S.

He will also avail himself of the opportunity to assure all concerned about the Soviet readiness to pull out of Afghanistan, in a phased manner, within an agreed time-frame if the U.S. was prepared to assume countervailing responsibilities for honouring the territorial integrity and refraining from interference in the internal affairs of this land-locked country, which has a special strategic relationship to the Soviet Union.

**Gorbachev visit to India:** The Soviet Foreign Minister will probably begin his south and south-east Asian safari with the first stop-over in Delhi to prepare for Mr. Gorbachev's visit to India later this year. The Soviet Ambassador in Delhi, Mr. Vassily Rykov, who has gone to Moscow to attend the party congress as a member of the Central Committee, is expected back next week with a broad indication of when Mr. Gorbachev intends to pay this visit.

The new Soviet leadership is reported to be attaching great importance to the consolidation and expansion of Indo-Soviet friendship, despite the efforts of the Prime Minister, Mr. Rajiv Gandhi, to establish a parallel bilateral relationship with the U.S., that would be equally beneficial to India's interests. In the wider Asian context too, the Soviet Union realises that India is about the only major non-communist country in this continent, where it continues to wield considerable influence even after its intervention in Afghanistan.

**Sino-Soviet relations:** The Sino-Soviet relations have, no doubt, improved in recent years in the sense that the two communist giants are no longer engaged in an all-out confrontation, but they continue to differ strongly on Kampuchea and Afghanistan with the result that there is little scope at present for any real rapprochement other than a shared desire to avoid a showdown.

The relationship with India has thus become doubly important for Moscow in not only retrieving some of its lost influence in the rest of Asia with some conciliatory moves on Afghanistan, but also in sustaining its reputation in Africa as a dependable upholder of the Third World causes. It is for this reason that the Soviet Union has been attaching utmost importance to Mr. Gorbachev's visit to Delhi later this year.

**'Relaxed':** No dates have yet been set for the Soviet Foreign Minister's visit to India, since Moscow is reported to be working out a mutually convenient time-table for his tour of other Asian nations. After his recent trip to Tokyo, the relations between Japan and the Soviet Union are more relaxed, despite the northern island's dispute.

Mr. Shevardnadze's proposed tour of south and south-east Asia is evidently intended to create a better atmosphere for a more determined Soviet diplomatic drive in the Third World to enhance its international leverage in dealing with the U.S. in the global scene.

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CSO: 4600/1527



INDIA

## REPORT ON ARJUN SINGH'S ACTIVITIES IN MOSCOW

New Delhi PATRIOT in English 1 Mar 86 p 7

[Article by Rajiv Shah]

[Text]

**Moscow, Feb 28** — Indian National Congress vice president Arjun Singh, who is here with three other Congress leaders at the invitation of the CPSU to attend the 27th party congress, met General Secretary Mikhail Gorbachyov for more than an hour and delivered to him message from Prime Minister Rajiv Gandhi.

During their talks, the two sides expressed the desire to develop and deepen the "fruitful Indo-Soviet relations" built and strengthened especially after the signing of the Treaty of Peace, Friendship and Cooperation during the late Indira Gandhi's early tenure. This was necessary to preserve and extend peace and security in Asia and all over the world, it was emphasised.

During the meeting, which took place yesterday evening, Mr Arjun Singh said that his country valued highly Soviet peace initiative aimed at complete elimination of nuclear weapons during the next 15 years. In his reply, while conveying warm greetings to Prime Minister Rajiv Gandhi, Mr Mikhail Gorbachyov spoke highly of the positive role India was playing in the present day complex world situation. Mr Gorbachyov was positively im-

pressed by India's leadership role as chairman of the nonaligned movement.

Later this evening, Mr Arjun Singh addressed a Moscow University scholars' gathering, and pointed out that the deliberations at the 27th CPSU congress "shall spell out the socio-economic and political developments of the Soviet Union for many years to come. Calling the congress a "historic event", Mr Arjun Singh said the four-member delegation, which he led on behalf of the Indian National Congress, was "greatly impressed by the political report by Mr Gorbachyov. It was a great speech both for its candour and content".

Mr Gorbachyov, during his report, not only put forward concrete plans for international peace but also showed a new way to rejuvenate the material and spiritual conditions of Soviet society, Mr Arjun Singh said.

He was confident that the Soviet people would be successful in their monumental task.

Turning to India's foreign policy, Mr Arjun Singh said "our policy" of nonalignment is not that of neutrality". His party strongly

supported values like the elimination of imperialism and neocolonialism in all its forms, it stood for the abolition of the apartheid regime in South Africa and was for restoring to the Palestinian people their due right, and fought for making the Indian Ocean a zone of peace and a new international economic order.

These goals, he told the gathering, were so eloquently supported by Mr Gorbachyov as well.

He was hopeful that the "relations of cordiality which have been established between the Indian National Congress and the CPSU will grow from strength to strength and prove to be a bulwark for peace in the world".

It may be recalled that on the opening day (25 February), the CPSU congress paid glowing tributes to the late Indira Gandhi. Mr Igor Ligachyov, a politbureau member and chairman of the congress presidium, made a special mention of her, saying that she "made a great contribution to the struggle against imperialism and colonialism, and for peace and security of nations".

The reference, observers said, signified the importance the Soviet Union attaches to India's role in world affairs.

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INDIA

## ANALYST WRITES ON REACTION TO SRI LANKA MOVES

### 'Intemperate' Sri Lankan Note

Madras THE HINDU in English 2 Mar 86 p 1

[Article by G.K. Reddy]

[Text]

NEW DELHI, March 1.

The Sri Lanka Government today issued a strongly worded statement accusing India of "bias" in its approach to the island's ethnic conflict and of impairing its own "credibility" by "pandering" to what was called the "imperatives of parochial politics" in Tamil Nadu, which continues to be used as a "logistical, training and operational bases by Tamil terrorists".

A copy of this lengthy statement was handed over in the form of a note by the Sri Lankan High Commissioner in Delhi to the External Affairs Minister, Mr. B. R. Bhagat, protesting against the charge of "genocide" levelled by him in Parliament.

The Sri Lankan note maintained that, in urging an early settlement, the Government of India was seeking to impose a time-frame for settling this internal problem, without taking parallel steps to compel the Tamil militants to give up their violent activities and strive for a peaceful solution. It was stated: "A time-frame cannot be conceived of unless such time-frame is also applied to the interdiction and removal of India-based terrorists against Sri Lanka".

**Human rights:** The statement also insinuated that India's own record of human rights violations did not entitle this country to point an accusing finger at Sri Lanka before the Human Rights Commission. It said: "The violation of human rights transcends boundaries and has occurred in innumerable situations and places. No more fitting comment could apply here than 'physician heal thyself'".

The Sri Lankan note went on to say that the value of the "proffered good offices of the Indian Government stands impaired and its credibility diluted" by its one-sided approach and reluctance to deal firmly with the "continuing incidence of India-based terrorism". It alleged that the return of the Sri Lankan Tamil refugees was being impaired by the violent activities of these terrorists and not by the actions of the Sri Lankan security forces.

The highly objectionable and intemperate tone of the Sri Lankan statement has come as a big surprise to those in Delhi who were still giving the benefit of doubt to the Jayewardene Government. It is now highly unlikely that the Foreign Secretary, Mr. Romesh Bhan-

dari, would be sent to Colombo unless the Sri Lankan Government makes proper amends and comes forward with fresh assurances.

The Sri Lankan Government has also been trying to draw a distinction between the outspoken observations of Mr. Bhagat in Parliament and the restrained tone in which the Prime Minister, Mr. Rajiv Gandhi, spoke of the Sri Lankan situation during his reply to the debate on the motion of thanks to the President. It has tried to gloss over the fact, in its self-righteous indignation over what Mr. Bhagat had said, that the External Affairs Minister was replying to the very serious concern expressed by members belonging to all parties and from all parts of the country, not merely from Tamil Nadu, about the terrible happenings in Sri Lanka, while Mr. Rajiv Gandhi made only a passing reference to India's continued efforts to resolve the problem.

Whatever, Mr. Bhagat had said was done with the prior approval of Mr. Rajiv Gandhi who was no less exercised over the ghastly killings of Tamils by Sri Lankan armed forces. The External Affairs Minister could not have accused a neighbouring country of genocide without clearance from the head of Government.

But the Prime Minister tripped a bit when he said that India had been given a "new paper", implying a new set of proposals, which was a slight improvement on the previous one, since no such written communication had been received from the Sri Lankan Government. Amidst his other preoccupations, he had evidently mistaken an internal Indian note on the clarifications and elucidations provided by the Sri Lankan Government for a new working paper presented by the Jayewardene Government.

## Delhi Policy-Making Problems

Madras THE HINDU in English 4 Mar 86 p 1

[Article by G.K. Reddy]

[Text]

NEW DELHI, March 3.

The Tamil Nadu Electricity Minister, Mr. S. Ramachandran, who has been closely associated with the Sri Lanka talks, is now in Delhi lending a helping hand in evolving a constitutional framework acceptable to both the Tamil leaders and the Jayewardene Government for devolution of powers to the Northern and Eastern provinces with some sort of linkage between them.

He is due to meet the Prime Minister, Mr. Rajiv Gandhi, tomorrow after further discussions with the Foreign Secretary, Mr. Romesh Bhandari, and others on both the procedural and substantive aspects of the proposed devolution.

**Fresh instructions:** Meanwhile, the Indian High Commissioner to Sri Lanka, Mr. J. N. Dixit, who had been called to Delhi for consultations, will be returning to Colombo tomorrow with fresh instructions from the Government to make it abundantly clear to the Sri Lankan President, Mr. J. R. Jayewardene and his colleagues that their attempts to impose a military solution while talking reassuringly of their readiness to seek a political settlement, would only complicate the problem further and render a peaceful accord all the more difficult.

The opinion in high Government circles here seem to be divided on what India should do next in the face of the Sri Lankan obduracy, with one section of policy-makers holding the view that no further steps should be taken until Mr. Jayewardene and his colleagues realise the folly of opting for a tough line, while another group feels that any interruption of Indian peace moves would imperil the Tamil interests.

**Quick trip:** The Foreign Secretary, who had earlier intended to leave for Colombo on March 5 is still toying with the idea of a quick trip to get the Indian mediatory efforts into stride again. In his anxiety to work out a new peace formula, he is racing against time to achieve some sort of break-through before he retires at the end of this month.

But there are other powerful influences which have taken serious note of the latest Sri Lankan outburst against India and are urging a tougher Indian response to this affront. In their view any attempt to come forward with an Indian formula for ending the current stalemate is bound to prove a non-starter, since the Sri Lankan Government is in no mood to make any substantial concessions at present.

**No firm indication:** The current Indian thinking on Sri Lanka cannot crystallise until the policy-making processes of the Government have been streamlined with a better hierarchical system. First of all there is no firm indication yet whether Mr. Bhandari would be offered another assignment after his retirement and, if so,

whether he would continue to deal with Sri Lanka in case he is retained in an advisory role as part of the Prime Minister's establishment.

If he is not going to handle this problem after he relinquishes his present charge at the end of this month, who will be entrusted with this task in the Ministry of External Affairs or the Prime Minister's office? This uncertainty has unfortunately led to some extent to the present absence of any clarity in the Indian approach to the Sri Lankan problem.

The protracted discussions that have taken place between the Indian and Sri Lankan Governments have been confined to the peripheral aspects of devolution. The so-called clarifications offered by Sri Lanka have not defined in clear and unequivocal terms how far Mr. Jayewardene would be prepared to go in conceding effective powers to the Northern and Eastern provinces in regard to law and order, land settlement, language and local development. Nor have any serious discussions taken place on adequate representation for the Tamils in the Central Government which will continue to exercise over-riding authority under the island's military constitution.

Our Madras Staff Reporter writes:

The Eelam People's Revolutionary Liberation Front (EPRLF) today claimed that 25 more Sri Lankan soldiers were killed when the Front attacked troops belonging to the Special Task Force at Pambamedu on the Vavuniya-Mannar road yesterday.

A spokesman said the troops, in civilian clothes, had arrived at Pambamedu to retaliate against an earlier incident on the same day in which 10 soldiers were killed by the EPRLF.

INDIA

INDIAN CONDEMNS SRI LANKA HUMAN RIGHTS RECORD

Calcutta THE TELEGRAPH in English 6 Mar 86 p 1

[Article by Tilottama Tharoor]

[Text]

Geneva, March 5: India has taken a major initiative at the UN Commission for Human Rights by launching a frontal attack on Sri Lanka for violation of human rights in that country.

In a hardhitting speech to the Commission this afternoon, the leader of the Indian delegation, Dr G.S. Dhillon, bluntly declared that "the actions of the government of Sri Lanka have resulted in serious violations of the human rights of Sri Lanka's Tamil citizens." Dr Dhillon added that the "blatant killings" were "beginning to look like the victimisation of the entire community of Sri Lankan Tamils by the Sri Lankan security forces."

India has seldom spoken in such harsh terms before at UN forums. Rebutting the Sri Lankan claim that security operations are only directed at terrorists, the Indian delegate cited "clear evidence ... that violence directed against the Tamil minorities is indiscriminate and makes no distinction between those engaged in conflict and innocent civilians, whether men, women or even children."

Recalling the brief ceasefire arranged through Indian auspices, Dr Dhillon described a "serious setback" to the peace process since late 1985 and the resignation of Tamil moderates from the ceasefire monitoring committee. "The peace process appears to have floundered," the Indian delegate declared, citing indications "that the government of Sri Lanka is determined to first pursue a military solution to this problem." India put the blame directly on "the lack of a firm commitment to a political solution on the part of the Sri Lanka authorities."

The Indian statement also recalled the two countries' "close and cordial ties" and stressed that India shares "a common culture, religious heritage and ethnic background with both the majority and the minority communities in Sri Lanka." India rejects violence and "firmly supports the unity and territorial integrity of Sri Lanka," Dr Dhillon affirmed. But he made it clear that "the major responsibility for restoring the confidence of the aggrieved Tamil minority lies with the government of Sri Lanka."

The statement sent shock waves through the commission and is likely to provoke a major debate. Diplomatic sources indicated that Sri Lanka was already seeking the right to reply.

Speaking yesterday, the Sri Lankan delegate, Dr Hector Jayewardene, had already referred to support for terrorism from "outside Sri Lanka". In a clear reference to New Delhi, he had added that "Those who are immediately anxious to resolve the problems of Sri Lanka on behalf of the Tamils cannot do so because they are not free from pressures and threats from the extremist elements in Madras." Sri Lanka reiterated its insistence on negotiating only on the basis of the draft terms of accord and understanding initialled by Dr Jayewardene and Mr Romesh Bhandari, Indian foreign secretary, on 30 August 1985.

INDIA

PROBLEMS IN COMPLETING DEFENSE DEALS WITH UK NOTED

Bombay THE TIMES OF INDIA in English 28 Feb 86 p 9

[Article by K.N. Malik]

[Text]

The Times of India News Service

LONDON, February 27.

**I**NDO-British defence deals are once again in jeopardy. In spite of the fact that Indian officials indicated to Britain in October last that the Westland deal would be confirmed, no confirmatory letter has so far been received by the manufacturers.

Britain's offer of a Vickers Rheinmetall/Oto Melara FH70 155-mm guns has also not figured in the recent short-list negotiations for India's \$ 975-million gun requirements. The Indo-U.K. memorandum of understanding on defence, due for signature in December last, has remained unsigned.

The two competitors for 155-mm guns now are Giat of France and the Bofors-77 gun from Sweden. Prospects of a fresh Anglo-German offer of an improved version with a better range, made after the first British-German offer was rejected, are also considered bleak.

No firm order has been given for World War II royal navy light fleet carrier, HMS Hermes, offered to the Indian navy for an estimated £ 50 million. India's interest in HMS Hermes, which was rejected by several countries, has surprised experts. The carrier was withdrawn after the Falklands war with Argentina and has since been berthed at Portsmouth.

**MODERN CARRIER**

If India does not buy the ship (HMS Hermes), it is scheduled to be mothballed. Britain expected to sell ship in view of India's need for a more modern carrier. As India has ordered ten additional Sea Harriers FRS-515, it

would have to go in for a second carrier, it was argued.

In India, however, many feel there is no justification for buying HMS Hermes. If India has to go in for a second carrier, it should buy a more modern one. Fitting this outdated carrier would cost the Indian navy a considerable sum of money, it is felt.

British officials are puzzled as to why no agreement has been delivered to Westland while a confirmed order for French Dauphin helicopters was delivered three months ago.

The British were earlier told that India would buy 21 Westland W-30s and 29 Dauphins. Though most British officials hope the delay is due to redtape, there are some who are worried that the Indian government is under bureaucratic pressure to dump the Westland deal.

The Oil and Natural Gas Commission (ONGC), for which W-30s were to be purchased, has been against buying the helicopters from the beginning. Many Indian experts and senior Indian officials, including those in the ministry of external affairs, are also against the purchase.

The main reason given is that the manufacturers themselves feel that it was a mistake to go in for the production of W-30s. Mr. Alan Bristow, a major shareholder in the company and Britain's biggest offshore helicopter operator, said last year that W-30s were not competitive in technical performance and commercial terms with other helicopters in the international market.

A senior official of Sikorsky, an American company which rescued Westland in February, said the development of the W-30 was a mistake.

Speaking to "Janes" defence weekly, Mr. Colin Green, vice-president of planning at the U.S. helicopter giant, said it was a mistake to persist in the development and production of the W-30 beyond a point.

The manufacturers committed the mistake of producing helicopters in advance of the orders. The company expected sales of about 100 helicopters of the W-30-100 series and another 500 of the 200 and 300 series. Success now would depend on the ability to deliver the helicopter and spares on short lead times.

This would require the manufacture of the helicopter in advance of orders and the maintenance of comprehensive stocks of spares — both without the pattern of deposits and progress payments common in the military market. This policy meant that in 1984-85 the company incurred a loss of £ 79.8 million against the liabilities and assets relating to the W-30.

Experts feel that Mr. Green may have been hinting at the possibility of stopping production of W-30s so that the company could concentrate on the development and production of helicopters for defence use.

In case India purchases W-30s and then the manufacturers stop its production, India would find it difficult to find spares and, even if it can, it would have to pay exorbitant prices.

INDIA

REPORT ON GANDHI'S TALKS WITH ROK PRIME MINISTER

New Delhi PATRIOT in English 4 Mar 86 p 1

[Text]

**Our Special Correspondent**

India on Monday requested South Korea to increase imports from this country, particularly of capital goods, to help reduce the huge imbalance of trade between the two countries.

The Indian view was conveyed by Prime Minister Rajiv Gandhi to South Korean Premier Shingyong Lho during the 40-minute official talks Monday evening.

The talks largely focussed on trade, economic and commercial relations between the two countries. While Mr Gandhi spoke of the huge trade deficits the country was running, Mr Lho talked of the long-term possibilities of Indo-South Korean collaborations and third-country joint ventures.

India, which has placed orders for 27 cargo vessels with South Korea, ran up a huge deficit of 707 million dollars in 1984, with exports totting up a little over 102 million dollars and imports touching 809 million dollars. In 1985, the country was still facing a deficit of 225 million dollars, imports amounting to 350 million dollars and exports rising to 125 million dollars.

During the talks, Mr Lho apprised Mr Gandhi of the situation in the Korean peninsula, as well as of the preparations in Seoul for the forthcoming tenth Asian Games in September this year and the 1988 Olympics.

Mr Lho, who earlier in the afternoon called on President Zail Singh extended invitation to him to visit South Korea during the Asiad. He also invited Mr Gandhi to pay an official visit.

At a banquet later in the night, Mr Lho spoke of the great potential for strengthening and broadening friendship between the two countries and

said it was in this spirit that a Korean business delegation accompanying him had hoped to work with Indian industry.

Mr Lho said he was also deeply impressed by Mr Gandhi's personal warmth, his insight into international relations and his determination to achieve peace and justice. He hoped his visit would forge closer cooperative relations between the two countries.

Mr Lho expressed his highest esteem for the impressive results of economic policies carried out by Mr Gandhi and for his contribution to the launching of the South Asian Association for Regional Cooperation.

The association was a "tangible example of South-South cooperation" and strengthening it was a major policy of the South Korean Government, Mr Lho said.

The South Korean Premier also spoke of the efforts to resume direct talks with North Korea on reunification of the two countries. The Korean issue must be resolved through dialogue between the two sides directly concerned, he said.

Earlier at a luncheon given in his honour by the FICCI, Mr Lho called for a free trade system and the international division of labour.

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CSO: 4600/1521

INDIA

#### OFFICIALS URGED TO LEAVE FOREIGN FRIENDSHIP GROUPS

Calcutta THE STATESMAN in English 6 Mar 86 pp 1, 9

[Text] New Delhi, March 5--The leakage of the contents of the complaint against Rama Swarup, in particular the acceptance of trips to Taiwan by some M.P.s and others and their involvement in associations established to boost this country's relations with foreign countries, is beginning to recoil on some Congress(I) leaders and "friendship" associations or societies that the Congress(I) party has assiduously sought to foster.

Two Governors, Mr B.N. Pandey of Orissa and Mr Shaukar Dayal Sharma of Punjab, have been asked by the party High Command to relinquish their stewardship of the India-China Society and the India-North Korea Association, respectively.

At an earlier stage, when the Commar Narayan case began receiving publicity, the then External Affairs Minister was worried that Mr Pandey had not resigned the presidency of the India-China Society, in spite of clear indications given to him to do so. Even Indira Gandhi had advised Mr Pandey to relinquish that office quickly--although the India-China Society had Mrs Gandhi's blessings. The society was formed with a view to countering the influence of the India-China Friendship Association led by the CPI(M).

#### Influence

Later, the Congress(I) sponsored the Friends of the Soviet Union in order to counter the influence of the India-Soviet Cultural Society which had been functioning for 30 years under the leadership of the CPI. Mr Sharma, at one time Congress president, Mr Vithal Gadgil, Mr P. Shivshankar and others were the leaders of the FSU. Mr K.R. Ganesh was the general-secretary. When Mr Goldwin, who has now been dropped as minister for heavy industry of the Soviet Government, used to come to India to address the FSU, he was not only given official receptions but treated as a Government guest. He used to stay in the guest house of the Central Warehousing Corporation.

The External Affairs Ministry and the Union Home Ministry are worried that Mr Shankar Dayal Sharma continues to be the president of the India-North Korea Friendship Association. This apart, Congress(I) leaders are said to

have been guests of Pyongyang, the North Korean capital. They include Mrs Rajendra Kumari Bajpai and Mr Shivraj Patil. Some of the former general secretaries of the AICC(I) are also said to have been given air-tickets to visit Pyongyang and received North Korean hospitality. Nearly 200 M.P.s of many political parties, newspapermen, social workers and people from different professions, including lawyers, have visited North Korea in the past four or five years. Both free tickets and hospitality were extended to them.

North Korea has opened an international office in Greater Kailash in Delhi to propagate the idea of "juche" which is the political philosophy of Kim Il Sung. Certain AICC(I) general secretaries and ministers are said to be patrons of this international institute of "juche."

Some three years ago, an international seminar on "juche" was organized in Delhi. The Speaker of the Lok Sabha participated in it. Some ministers like Mr Narayan Dutt Tiwari and senior Congress(I) office bearers like Mehmooda Begum were reportedly associated with the seminar.

The Libyan Embassy last year organized a seminar on the Green Book of Col Gadaffi, which is their official doctrine, in a five-star hotel in Delhi, which was also attended by many political personalities and officers.

The Iraqi Emassy organized two seminars against Iran which were attended by senior Congress party leaders, such as Mrs Bajpai, they an AICC(I) general secretary. The argument was that the Congress(I) has a friendship protocol with the Baath Socialist Party.

#### Parties

Many Congress(I) M.P.s have not taken well Mr Rajiv Gandhi's advice given at a meeting of the Congress(I) parliamentary party that they should avoid going to exclusive parties in embassies or in ambassador's houses. They argue that the Congress(I) party has friendly relations with as many as 35 foreign political parties, whose representatives were invited to the Congress Centenary celebrations held in Bombay recently. Of late, the AICC(I) has decided to have close relations with the CPSU and sent a high-power top-level delegation headed by the vice-president, Mr Arjun Singh, to Moscow to participate in the CPSU Congress there. This being the case, the Congress(I) M.P.s argue, close-door political dialogues with foreign party leaders are unavoidable, particularly if these foreign parties are also the ruling parties in their own land. It is argued that Mrs Gandhi used to depend heavily on friendship societies and she reaped dividends, particularly when she was out of power. She was able to establish her image in West Asia and the U.K., through her emissaries abroad.

Congress(I) M.P.s further argue that foreign political personalities are received in the AICC office and given receptions by the AICC(I). Fraternal delegates of the Polisario Front, which is fighting in Sahara against Morocco, were invited by Mr Rajiv Gandhi, when he was general secretary of the AICC(I) in 1984, although India had diplomatic relations with Morocco.



Mr Rajiv Gandhi had also addressed a meeting of the India-North Korea Friendship Society. It is learnt from knowledgeable quarters that Mrs Gandhi as president of the Congress(I), used to accept exclusive dinner invitations in the houses of ambassadors, the object being to establish a rapport on a people-to-people and family-to-family basis.

The proposed code of conduct for Congress(I) men, now being finalized, will presumably contain several injunctions against association with foreign embassies.

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CSO: 4600/1523

INDIA

## PUBLIC SECTOR ACCOMPLISHMENTS FOR 1984-85 REPORTED

Calcutta THE TELEGRAPH in English 28 Feb 86 p 8

[Text] New Delhi, Feb. 27: The Central public sector enterprises showed a record net profit of Rs 929 crores in 1984-85 compared to a profit of Rs 240 crores in the previous year and the previous best of Rs 614 crores in 1982-83.

According to the public enterprises survey for the year by the Bureau of Public Enterprises (BPE), there was an impressive expansion in public sector investment which rose by 21 per cent. Their turnover, export earnings and contribution to the exchequer also improved.

The annual report on the working of industrial and commercial undertakings of the Union government was presented to Parliament here today by Mr M. Arunachalam, minister of state for industry.

The investment in Central public enterprises increased from Rs 35,394 crores in 1983-84 in 214 enterprises to Rs 42,811 crores in 1984-85 in 221 enterprises—an increase of Rs 7,417 crores recording a growth of 21 per cent. The top 10 enterprises account for 54.8 per cent of this total investment.

The gross profit of Central public enterprises has shown an increase of Rs 1,072 crores from Rs 3,565 crores in 1983-84 to Rs 4,637 crores in 1984-85—an increase of 30 per cent. This is after an increase of Rs 563 crores in input costs and salaries and wages over the previous year.

### Profit before tax

The profit before tax also increased by Rs 1,639 crores from Rs 1,480 crores in 1983-84 to Rs 2,119 crores in 1984-85 which works out to an increase of 43.2 per cent.

The percentage of gross mar-

gin on capital employed of 20.3, achieved during 1984-85, is the highest achieved so far. The percentage of gross profit (profit before interest and tax) to capital employed also increased by 12.74 per cent.

The number of enterprises making pre-tax profit increased from 109 in the previous year to 115 during 1984-85. The top 10 profit-making enterprises contributed about 76 per cent of the total pre-tax profit of Rs 3,213 crores earned by 155 enterprises.

Sixty enterprises declared dividends totalling Rs 176.5 crores against 55 enterprises totalling Rs 133 crores in the previous year.

Of the 90 enterprises which incurred losses during 1984-85, 30 enterprises reduced losses in relation to the previous year. Several enterprises which incurred losses in the current year had made profits in the previous year.

During the Sixth Plan (1980-85), the Central public enterprises generated internal resources of Rs 11,653 crores. The number of enterprises generating internal resources has gone up from 102 in 1980-81 to 124 in 1984-85. The net internal resources generated by them, after repayment of loan, has increased from Rs 1,096 crores in 1980-81 to Rs 3,554 crores in 1984-85 which is higher by Rs 726 crores when compared to Rs 2,828 crores in 1983-84.

According to the survey, during the Sixth Plan, the public enterprises contributed an amount of Rs 27,557 crores to the exchequer in the form of corporate taxes, excise duty, customs and other duties and dividends. It increased from Rs 6,554 crores in 1983-84 to Rs 7,597 crores in 1984-85 showing an increase of Rs 1,043 crores or

15.9 per cent.

The public sector enterprises have achieved higher export earnings during 1984-85 touching a level of Rs 5,827 crores against Rs 5,532 crores in the preceding year recording a growth of 5.3 per cent.

### Gross sales

The gross sales of public enterprises has gone up from Rs 11,688 crores in 1975-76 to Rs 54,668 crores in 1984-85 indicating an average annual growth rate of about 36.8 per cent. In 1984-85, the growth of gross sales over the previous year was 15.6 per cent. Sales as percentage of capital employed in respect of manufacturing enterprises has grown from 124.8 per cent in 1975-76 to 162.6 per cent in 1984-85. However, compared to 1983-84, the ratio has shown a decline from 174.3 per cent to 162.6 per cent in 1984-85.

In 1984-85, the number of employees increased by 1.69 per cent over 1983-84. The average annual per capita emoluments of the employees increased from Rs 21,546 to Rs 24,301.

The Seventh Plan envisages a total public sector outlay of Rs 180,000 crores of which the Central public enterprises share would be worth Rs 43,000 crores. For financing the Plan outlays, the public enterprises have to generate internal resources to the tune of Rs 31,500 crores and a further amount of Rs 11,490 crores through additional resource mobilisation efforts.

The government is actively considering the reports of the Economic Administration Reforms Commission and the high-powered committee set up under the chairmanship of Dr Arjun Sengupta, which have gone into the problems of public enterprises.

INDIA

BRIEFS

RAJIV ON U.S.--Prime Minister Rajiv Gandhi said in Delhi on Wednesday that the gap between India and United States had narrowed down and their relations improved after his visit to that country in June last, reports UNI. Mr Gandhi, however, admitted that India still disagrees with the U.S. on such policies as the support extended by Washington to the White minority regime in South Africa. He said though India and the U.S. basically stood for democracy, freedom and humanity, "we found that in some countries, the U.S. is very happily supporting dictatorships, not even benign dictatorship. So these contradictions are causing problems." The Prime Minister said this at a question-answer session of Young Presidents' Organization, where he earlier delivered the key-note address at the international conference. Mr Gandhi said the Soviet Union had been helping India for the last three decades in development projects and industry. But the U.S. had always asked for a price. Mr Gandhi said the Government had no plans for privatisation of industry." [Text] [New Delhi PATRIOT in English 6 Mar 86 p 6] /8309

FOREIGN TIE-UPS--The number of foreign collaborations approved by the Government during 1985 stood at a record 1,024, reports Unifin. Twenty European countries were connected in about 60 per cent of these. The United States topped the list with 97 collaborations, followed by the Federal Republic of Germany 180, United Kingdom 147, Japan 108, France 61, Italy 56, Switzerland 42, Sweden 29, the Netherlands 16, Canada 15, Austria 14, Denmark 12, German Democratic Republic 12, Belgium Nine, Australia and Czechoslovakia seven each, Taiwan and Yugoslavia six each, Hong Kong, South Korea and Singapore five each, Finland and the Soviet Union four each, Norway and Spain three each, Hungary, Mexico, Poland, Portugal and the United Arab Emirates two each, Bahamas, Bahrain, Bermuda, Brazil, Faero Islands, Jordan, Liberia, Sri Lanka and Thailand one each, besides 52 with non-resident Indians. Of the 52 cases of collaboration with non-resident Indians, 24 were from NRIs in the United States, five from Federal Republic of Germany, two each from France, Italy, Japan, South Korea, Sweden and the United Kingdom, and one each from Belgium, Canada, Cyprus, Finland, Ireland, Kuwait, the Netherlands, Sri Lanka, Singapore, Switzerland and Taiwan. Of the total investment of Rs 1258.67 million approved the share of the United States were Rs 399.24 million and of non-resident Indians Rs 190.40 million. Category-wise 620 of the collaborations were technical, 239 financial and the other 165 were for drawing and design. During the 29 years ending 1985, 9,660 collaboration agreements have been approved. [Text] [New Delhi PATRIOT in English 5 Mar 86 p 2] /8309

ASSAM BYELECTIONS -- Guwahati, March 3 (PTI)--The ruling Assam Gana Parishad (AGP) today won the Kaliabor and Golokganj Assembly seats in Assam where byelections were held yesterday increasing the party's strength to 71 in the 126-member House. In the prestigious Kaliabor constituency, Mr Gunin Kazarika was declared elected, when he defeated his Congress(I) rival, Mr Boloram Nag, by 25,450 votes in a triangular fight. The United Minorities Front candidate, Mr Abdul Khalek, who lost his security deposit, could secure only 955 votes. Mr Dalim Roy won the Golokganj seat, defeating his nearest CPI rival, Mr Allauddin Sarkar, by 2,518 votes. Three other candidates who were in the contest lost their security deposits. While election to the Golokganj seat on December 16 was countermanded due to the death of the Janata candidate, the byelection in Kaliabor was necessitated as the chief minister of Assam, Mr Prafulla Kumar Mahanta, resigned from his home constituency. The chief minister had also won from Nagaon constituency. Following is the party position in the Assembly at present: AGP-71, Congress(I)-25, United Minorities' Front-17, Congress(S)-4, CPI(M)-2, the Plains Tribals Council of Assam-3, and Independents-4. [Text] [Calcutta THE TELEGRAPH in English 4 Mar 86 p 12] /8309

BJP MEMBER RESIGNATIONS--Imphal, March 3--Three thousand and five hundred Bharatiya Janata Party workers resigned en masse from the party yesterday, according to a Press note issued by Mr Haobam Borobabu Singh, former secretary of the Manipur State unit of the BJP, reports UNI. A party release issued here yesterday said that all presidents of five district units, including executive committee members, had also resigned from the party. The State unit president, Mr L. Raghumani Sharma, and the vice-president, Mr K. Naran Singh, had tendered their resignations a few months ago. The release, however, did not spell out any reason for the mass resignation. The resignation letters have been sent to the all-India BJP president, Mr A.B. Vajpayee, in New Delhi. [Text] [Calcutta THE STATESMAN in English 3 Mar 86 p 1] /8309

NEW CSIR CHIEF--New Delhi, February 27--Dr. A.P. Mitra, a noted physicist, today took over as director-general of the Council of Scientific and Industrial Research. He will also hold the post of secretary, department of scientific and industrial research. Dr. Mitra earlier headed the National Physical Laboratory and is the chairman of the scientific advisory committee of the Indian middle atmosphere programme. Dr. Mitra succeeds Dr. S. Varadarajan who was shifted to the planning commission as chief consultant. As a basic research worker Dr. Mitra's expertise is in sharp contrast with that of Dr. Varadarajan who has long experience of laboratory-industry interaction and had played a key role in the establishment of the Indian petrochemical complex and was also the chairman of the public-sector Engineers India Limited. Dr. Mitra has, of course, won recognition for his outstanding contributions in the field of radio science research in India. He is the only Indian to be elected president of the Union Radio Science Internationale, an office which he holds currently. Dr. Mitra introduced tropospheric radio research in India in the seventies and contributed to the development of time and frequency standards in the country. Of the many research activities of Dr. Mitra, his work on ionospheric effects of solar flares, the lower ionosphere and ion chemistry has had a significant impact. As secretary of the Indian national committee he guided the

international geophysical year programmes in the country, introduced radio communication predictions that serve all radio traffic organisations in the country and established the associate regional warning centre that helps rapid dissemination of solar and geophysical data over the subcontinent.  
[Text] [Bombay THE TIMES OF INDIA in English 28 Feb 86 p 4] /8309

CSO: 4600/1528

IRAN

## EXPANSION, RENOVATION OF HEAVY INDUSTRIES EXAMINED

Tehran KEYHAN in Persian 27 Jan 86 p 18

[Text] Economic service. The policies and strategy for the development of the national industries were examined by Engineer Behzad Nabavi, the minister of heavy industries, in the '65 [21 March 1986-20 March 1987] plan and budget seminar of the organization for the expansion and renovation of Iranian industries.

Part one of the statements of the minister of heavy industries was published yesterday. In the concluding part, we will report his views on the past operations and policies of heavy industries, the increase in the percentage of domestic production, the preparation of a plan to change conditions in future policies, coordination with the plans of the revolution decade, not issuing agreements in principle, the currency share of heavy industries, the creation of revenues through industrial exports abroad, industrial partnerships with other countries and the closure of units that are less self-sufficient and require more currency. In part one, two points of the first objective were stated.

The third point concerning the first goal was the issue of the increase in the percentage of domestic production. In this area also, conclusions were made. Of course, it was an acceptable goal which had to be implemented. We examined the imposed mechanisms and policies of the past, and followed them up with some revisions, and it was ultimately again placed as the main goal in the future program of the heavy industries.

But I must also say that the implemental operations of this goal were really shameful. We cannot hold up our heads and admit that after two years of working in this area agreements for only \$12 million in parts that could be manufactured domestically with the existing resources in the country have been signed and such parts have entered the production line of the existing units under these currency conditions, whereas we had projected more than \$250 million in parts to be manufactured in 10-15 factories in an attempt to conserve currency.

Therefore, we based the first goal in the new period on "raising the percentage of domestic production," "increasing quantity" and "raising quality." This indicates the priority we have placed on the goal of changing the existing situation to a more desirable one.

#### The Strategy of the Heavy Industries

The minister of heavy industries then explained the goal of development and creation and the ministry's procedure for examining the operations in this area.

For the goal of development and creation, we had the following three objectives: "Long-term, medium-term and short-term planning and strategies for the heavy industries," "completion of incomplete projects" and "new investments for the development and creation of heavy industries."

These three objectives were accepted. In our estimation, all of them can be approved for the next period, with certain alterations appropriate to our existing situation, to which attention must be paid.

Revisions of the five-year plan and the annual plans were noted and it was also emphasized that actions must be based on a program. It was also determined that the planning council should actively begin its work.

On the other hand, the government also revised the strategy for its five-year plan, which was ratified in the first debate of the Majlis. At present, we are actively dealing with this issue in the Cabinet. Therefore, the work that will be done in the heavy industries will, God willing, be coordinated with the work carried out throughout the country and this will come under our first goal.

Under our second goal, which is the completion of unfinished projects, I must say that during the past few years, many of our incomplete projects have reached the final stages and our goal in the future programs is to complete all the unfinished projects as soon as possible.

Of course, we have many implemental problems. The government projects suffer from lack of funding and not budget shortages, such as the Persian Gulf ship-building and the secondary copper industries projects, which were allocated no budget this year.

On the other hand, due to the decrease in production and problems existing in production, domestic investment resources have decreased, and the currency problems also prevent us from implementing the projects and developmental plans and actively dealing with them.

As I said, fortunately, this year, the government has decided on a series of developmental projects as the projects of the revolution decade, of which seven or eight are among the projects of the Ministry of Heavy Industries, such as the tractor manufacturing, Azar water, Hepco, Z.F., Nissan, (Idem) development, (I.C.I.) and the subsidiary copper industries projects, which

must be procured from domestic resources and particular attention paid to them. Also, a special currency will be allocated to them.

In regards to the new investments as well, the operation has been very good in terms of quantity, and thus far perhaps 270-280 billion rials worth of permits for investments have been granted, which is a very high figure. But considering the present resources and conditions, in setting the new goals, we will not grant agreements in principle in a general form any longer, except under special circumstances and in special instances.

#### Halt in the Issuance of Agreements in Principle

Then, concerning the situation of the agreements in principle that have been issued, the minister of heavy industries said: When I was studying the report on the third quarter for provincial and national agreements in principle, I saw dozens of principles in agreement issued, for example, for manufacturing agricultural trailers in various provinces. At the same time, we are shutting down the trailer manufacturing line of the tractor manufacturing for the next year due to the shortage of currency. This shows lack of coordination and it is wrong.

We are trying to shut down the Sepanta factory in Ahvaz even though we know the amount of galvanized pipes it produces. On the other hand, we are granting agreements in principle for the production of galvanized pipes. If we were smart enough, we would complete this one (the Sepanta factory).

From now on, our developmental and building plans must be mainly in the areas which we can see would lighten our load, rather than expanding something which is like what we already have but cannot operate at full capacity.

Hence, I emphasize that all the agreements in principle, whether they have or have not been finalized, and those which have not reached the stage of purchasing machinery, must be reviewed. We are not able to procure them. I am not afraid of investments, but I am afraid of the open mouths that will want raw materials from us when these projects achieve results.

With the limited resources, we are not able to invest in every field where there is a void; we are allowed to invest only in selected fields.

For example, we must permit the manufacture of crankshafts. We must allow the manufacture of carburetors for the engines which have already been produced. Suppose we are given permission for the manufacture of engine and car parts that are built and the spare parts of machinery and compressors that are imported from abroad rather than trying to build trailer and pipe factories [as published].

#### Currency Share of the Heavy Industries

Concerning the share of the currency of heavy industries and the subsequent problems, Engineer Behzad Nabavi said: In '64 [21 March 1985-20 March 1986], the total currency allocated to heavy industries was \$1,350 million, which by



calculating 20 percent currency (uzans) comes to about \$1,620 million, of which amount perhaps \$75 million of currency in cash has been given to us.

Hence, at the present, our most important goal for changing the program and the directions we will take in '65 [1986-87] will be the currency issue.

Now, we make an examination. In '62 [21 March 1983-20 March 1984], our allocated currency was about \$2,400 million. But during this two-year period, ('62 to '64 [21 March 1983-20 March 1986]), there was world inflation--and we all know that we sold our oil in dollars, but we make all of our purchases, especially in heavy industries, in currencies such as the pound, DM, and krona. During the past year, the rate of all currencies increased compared to the dollar; even so, a series of new units has reached production. All of these agreements in principle which have reached fruition; or the unfinished projects that have been completed; or the Hepco company, which presently produces at such a capacity; or the Pars wagon company and Khavar company, in which the "L" project has become operational; or the Iran vehicle company, in which the bus line is becoming operational; or the Iran Kaveh, in which the new truck manufacturing line has started, all of these, which are the sources of our revenues, have been carried out since '62 [1983-84].

Unfortunately, since '62 [1983-84], the currency share of the industries sector has regularly decreased such that, if the share of other sectors have not increased, at least the rate of their decrease has not been as high as that of the industries sector of the country--I mean, in general, and not only the heavy industries. Unfortunately, this decrease in the currency share continues in '65 [1986-87] as well.

#### \$15 Billion Budget

In other words, the ceiling of the currency budget being set in the Majlis is \$15 billion, with the difference being that in '64 [1985-86] you had the possibility of 20 percent (uzans) and your total currency in the 1985-86 year was \$16.6 billion, that is, 20 percent of the (uzans) that you consumed this year. Next year, you must pay the debt of the previous year as well. Of course, in '65 [1986-87] you will have 20 percent (uzans). In any case, the currency that is given to us in '65 [1986-87] is about \$1,350 million for production, plans, the decrease in the rate of the dollar, the increase in the rate of inflation and the creation of new production units of the country.

In '63 [1984-85] in any form possible, with an 11 percent increase in production compared to '62 [1983-84], we were able to increase the share, but in '64 [1985-86] and at the present, in the 9 months of this year, we had about a 12 percent decrease in production compared to the previous year, that is, we fell 1 percent under the statistics for '63 [1984-85].

You know that costs increase and revenues decrease. Therefore, you see the problem for yourself. We have \$1,350 million in currency in '65 [1986-87], compared to \$1,620 million in '64 [1985-86], and compared to \$1.7 billion in '63 [1984-85], and again \$2.4 billion in '62 [1983-84]. Well, put yourself in our place. What must we do?

The minister of heavy industries added: Suppose we put this issue to a discussion in the mobilization headquarters of heavy industries. Should we deal with the condition of the crisis? How should we deal with the issue? And we reached the conclusion that we cannot deal with it in this way. This is a crisis that we fought for three years. But it is now stabilized throughout the society and we do not have the power to change the existing situation and conditions.

You should all sympathize with us. You must know what the ailment is and what the problems of the country are. I request that the deputy for the plan and program of the ministry make a study to see how much of this \$1,350 million is our currency share, considering the increase in the number of units, the world inflation rate, the decrease in the rate of the dollar and such parameters compared to '62 [1983-84]. I think that if we take the 1983-84 year as a base, it will be a figure amounting to \$900 million, that is, a complex that received \$2.4 billion in currency will now receive about \$1 billion. Under present conditions, you should not think that they will count this \$1 billion dollar by dollar and hand it to you. You must work hard, do (uzans), bartering and so on, and whenever the credit ceiling is reached you must go to another one. In the meantime, we went to bring the fire and blood of the heavy industries of the country to fruition, first with the help of God and then with your help. And we believe that if we make good decisions and carry them out well, we will be able to minimize waste and problems.

#### The Establishment of the Headquarters for the Control of Projects

For the unfinished projects, we have also established a control headquarters for projects similar to the production control headquarters to put pressure on the projects in order to be able to make some of these important projects move and achieve self-sufficiency, because in this way, some of the burden will be lifted from our shoulders.

The more we expand the level of the agreements in principle and create more units to fill the capacities, the heavier our burden becomes, but the more we advance in depth, the lighter our burden becomes.

Therefore, in the case of the projects, our line is to advance in depth and not superficially; but we should move horizontally when it has an effect on the depth of other projects.

For example, at present, gear boxes are imported from abroad, assembled and made ready. The "Z.F." project must certainly become operational for next year. What difference does it make? For something that is supposed to come from abroad to be mounted under a truck, at least we can assemble it ourselves, and in the next stages, God willing, as we go on, we will give less currency.

Even if there is a project and we see that it can lift a burden off our shoulders for two more years, we will give it priority.

In this manner and on this basis, we will select the new projects.

#### Increase in Industrial Exports

The minister of heavy industries then said concerning the role of the industrial exports in increasing currency revenues: We must make the industrial exports active and we request the brothers not to deal reluctantly with this issue. Now, our only way out in the area of procuring currency other than through the government is to be able to export through the sheikdoms to the south of the country, through the Iranian workers and drivers, or, as it was recently decided, we can give 3,000 Renaults to Turkey and receive "C.K.D." tractors from them and assemble them in Tabriz tractor-manufacturing factory. The currency for tractors is given by the Ministry of Agriculture and the currency from the export of Renaults comes to us.

Or, for example, we should be able to export trucks and small vans to the sheikdoms with the minimum currency that is procured for it in order to continue the production lines.

Or we could carry out joint projects with India and Turkey. We could create a unit abroad and they could make one here, and in this way, we could acquire some currency.

For '65 [1986-87], we have set our hearts on \$1.8 billion, hoping to be able to talk and procure it. If the deputy minister of plans and programs gives the analysis that I suggested sooner, we will be able to discuss it so that we will be able to set \$1.8 billion and discuss it. Now, it is not clear who will accept it, because they must also cut from here and there to give to us.

Of course, I repeat, the \$1.8 billion that we set is considering \$1,350 billion before the price of oil became what it is. Therefore, we thought we would be able to acquire \$450 million of it from here and there, that is, from export currency and so on, and we even stopped some productions which were not included in this \$1.8 billion and we said if other organizations give, then we will work for it. Suppose, for example, that next year Khavar company produces only 20 units and if it gives the currency for 40 other units, we will work for it, otherwise, Khavar will stop.

Therefore, considering such a currency situation as we have, we could anticipate two ways in regards to the production units. First, to slow down all operations, for example, to about 30 percent and keep those that have priority at 50 percent. What will be the results? We will make all the heavy industries of the country operate with losses and we do not know where the subsidies for the losses will come from.

Hence, this plan was rejected unanimously in the mobilization headquarters in which all the deputy ministers participate. The headquarters said: If the plan was for one year, we would accept it; but this is the picture for two or three years, and while we do not call it a crisis, we are saying it is a change in the situation and conditions for planning.

Therefore, we must now make different plans. Hence, what came to the minds of the brothers in the headquarters was a surgical operation that must be performed on production units. The less self-sufficient production units, the production units which use more currency, the production units whose production lines will be stopped in the long term, all of these will have to be shut down. This program will include production units that have all or some of these characteristics.

We informed the expansion organization of this direction and all the other divisions were also notified. Of course, shutting down does not mean in all cases that that line will really shut down. That line may be able to procure currency from somewhere.

Hence, there are lines or units that will be stopped whether or not they provide currency. There are lines or units that will operate if they are given currency from another source. Why do we want to do this?

We want to reduce the consuming units somewhat. But you must know that the political and social consequences of such a reduction are very severe. We must all think about how we can reduce them. Can we just send the people back to the streets, just like that? Hungry and unemployed, what can they do? We must all think, this is a serious and real program that must be implemented and we will announce to the complexes under our supervision that the surgery should begin as soon as the currency budget is given final ratification.

No one should think that he can come and say, please God, not me, not this one, another, this line and that line. Instead of all this, go and think carefully what must be done. We do not want to lose the production potential of the country as a result of these halts.

We must do something that when this factory is out of operation, for instance, the press equipment can be set up somewhere else and the person who wants to go and import it can use that line. This line and the expertise must remain so that if the conditions change we will be able to take steps.

In conclusion, Engineer Behzad Nabavi said: I thank the gentlemen, particularly Engineer Baqerian, the head of the expansion organization, for arranging this gathering. We feel that the velocity of the movement has not slowed down, but, the work is acquiring a more fundamental, logical and essential course. We hope that with the help of the organization and the units under control, they will continue the path they are following. We are ready to serve you.

10,000

CSO: 4640/219

PAKISTAN

EDITORIAL SCORES PROPOSED GANDHI PARTICIPATION IN MEMORIAL

Lahare NAWA-I-WAQT in Urdu 15 Feb 86 p 3

[Editorial: "Against National Dignity"]

[Text] According to a news item, the foreign office of Pakistan is planning to erect a memorial in Lahore to perpetuate the memory of the time when, in 1929, in this city the Indian National Congress passed a resolution demanding complete independence from the British. It is supposed to show the importance of our city in the struggle for India's independence. It is suggested that this memorial will promote friendship between the two countries by reminding them how they had struggled together against foreign rule in the subcontinent.

This suggestion seems to be perfectly unthinkable, but when technocrats without any political vision begin to interfere in politics, such far-fetched schemes come into being. A similar scheme was suggested in 1960 when Pandit Nehru (then the prime minister of India) visited Pakistan to sign the Indus Basin Treaty. In response to a toast at a reception given in his honor at the famous Shlamar Gardens, Mr Nehru was carried away by emotion. He was emotionally attached to this city. His wife was from Lahore. This show of emotion was very misleading. It made people forget that Pandit Nehru, despite his secularism and broadmindedness, was an enemy of the Muslims and their struggle for Pakistan. For instance, in 1946 the Congress had accepted the plan of the Cabinet Mission, but when Nehru found that in that plan the country would be divided into three provincial groups and the Muslims would get what became Pakistan, Pandit Nehru made the Congress reject the plan. A similar scheme for erecting a memorial was proposed during his visit to Lahore in 1960. It must have been suggested by similar technocrats devoid of political vision. The Ayub government did not think the scheme worth consideration. How did our foreign office think of reviving a proposal that was rejected 26 years ago? Well, we should reject it again and bury it so deep that it can never crop up again.

We should have good friendly relations with India but not at the cost of our national dignity and pride. One-sided efforts at friendship can never succeed. We should always keep in view India's attitude towards our country. We should be realistic and remember that India's consulate in Karachi was

opened on the condition that Pakistan would be allowed to start a similar consulate in Bombay. For this purpose Pakistan wanted to rent a bungalow on Malabar Hill, which had once been the residence of Qaid-e-Azam. The Indian government assented at first, but soon, as is its habit, backed out of its promise. Even after so many years the matter has not been settled. The people at our foreign ministry did not have the strength to make India deliver what we wanted, but after receiving one slap they are turning the other cheek to get another slap. They are offering to build a memorial to what the ruling party of India did in January 1929. They claim that when Hindus and Muslims remember that they had fought against the foreigners together, they would learn to respect each other. We beg to say that this method of making friends smacks of sycophancy and shows an utter lack of self-respect. The whole idea is too shallow to serve any solid national purpose.

If we follow what the people at the foreign office have proposed it would mean that we have been overawed by India's superior power. It would be as shameful as was the behavior of one of our so-called singers who in Bombay prostrated himself before a woman singer of India and made every Pakistani bow his head in shame. In international affairs unilateral efforts at friendship always mean a proof of weakness. When we try to normalize our relations with India, we should watch how they are responding to our advances. A scheme such as this should not even be thought of at present. After a very long time the rule of the country has come into the hands of the political party that had the unique privilege of forming Pakistan. In India the Congress Party (that did all in its power to prevent the creation of Pakistan) has been ruling all along. The rulers and leaders of India have never accepted Pakistan in their hearts. Indian Prime Minister Rajiv Gandhi showed this hidden resentment at a function in Deradun School when he said, in the presence of Pakistani alumni, that the demand for Pakistan was not made by the people of any region, nor was it the result of any historical process, but the foreigners, when they left, just drew a line across the country. If we try to make friends with the rulers of such a country it will strengthen those elements in our country that have always been followers of the Indian Congress and its one-nation theory. This scheme can encourage them to start their activities once more. They have always waited for such an opportunity. The Soviet occupation of Afghanistan has endangered the security and integrity of Pakistan. This has encouraged Ghaffar Khan and his son Wali Khan to say anti-Pakistan things openly. Their friend and crony, Ghaus Bux Bazenjotoo, has started saying that in Pakistan he feels as oppressed as he did in the days of the British. People who do not understand politics cannot see the implications of these words. Our aim should only be to become strong enough to protect the freedom and integrity of our homeland. We need internal unity and a lot besides. India can make a memorial to its ruling party's declaration of independence in its own country. We should only try to protect the Tower of Pakistan which we erected to commemorate our struggle for freedom. This tower should remind us of our duty to our nation. People of Pakistan should be proud of their homeland. They should be given political education that would help them to understand how good it is to be a free nation.

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CSO: 4656/56

PAKISTAN

COMMENTARY VIEWS FOREIGN MINISTER'S REMARKS ON INDIA

GF121630 Karachi MASHRIQ in Urdu 8 Mar 86 p 3

[Editorial: "Sahabzada Yaqub Khan's Clarifications"]

[Text] Pakistani Foreign Minister Sahabzada Yaqub Khan has rejected Indian claims that Siachen Glacier is part and parcel of the occupied state of Jammu and Kashmir. He said that, although the governments of the two countries have decided to hold talks on this issue, Pakistan stands firm on its stance that historically this area has been under Pakistani control. In fact talks were held between the two defense secretaries last January. The next round of talks on this question is scheduled for April. Sahabzada Yaqub Khan said: Our viewpoint is that the parties concerned should abstain from making statements which may prove harmful to the results of the coming talks.

Similarly, Sahabzada Yaqub Khan rejected the statement of the Indian foreign minister that there were still some differences between the two countries on the question of prohibiting attacks on each other's nuclear installations. The actual situation, he said, is that it was India which first initiated the proposal not to attack each other's nuclear installations in the Rajiv-Zia meeting in Delhi on 17 December. Both leaders, in their joint press conference, announced their understanding not to attack each other's nuclear installations. A record of this understanding exists even though not in a written agreement form. Subsequently, in their meeting in Islamabad in January the foreign secretaries of the two governments agreed upon a draft agreement in this connection. Only a couple of brief introductory passages are to be added to this draft agreement, but they are not connected to the main text of the agreement.

Responding to a question on the efforts of the Indian foreign minister to implicate Pakistan in the current domestic situation in India, Sahabzada Yaqub Khan said: Whenever there are problems in India, the Indian ruling circles blame it on foreign intervention. This accusation is totally baseless. Pakistan strictly follows the principle of nonintervention in the internal affairs of others.

It is a fact that India has repeatedly tried, through its false and provocative statements, to create hurdles in the way of the process which is being followed to normalize relations between the two countries. However,

despite these efforts the process of normalizing relations is going on satisfactorily. The reason is that Pakistan is sincerely following a policy of good-neighborliness with India, and one that is free of tension and based on reciprocal cooperation. This is in the best interests of both countries and will help to promote peace and stability in the entire region.

However, this does not mean that in gaining friendship with India, Pakistan should ignore its national interests or forego its basic stands. Sahabzada Yaqub Khan stressed the fact that Pakistan will take every step necessary to safeguard its national interests and will try to settle disputes with India with dignity on the basis of equality. We hope that India too, in view of the importance and sensitivity of talks going on at various levels, will abstain from issuing statements which may adversely affect the expected outcome of the talks.

/9365

CSO: 4656/64



PAKISTAN

NEW RADAR SYSTEM TO KEEP VIGIL ON AIRSPACE

BK091630 Karachi Domestic Service in Urdu 1500 GMT 9 Mar 86

[Excerpt] The government has approved a scheme to install radar at Karachi, Lahore, Islamabad, and Quetta Airports to keep vigil on the country's airspace. This was stated by the parliamentary secretary for defense, Colonel W. Herbert, Retired, during question hour in the National Assembly today. He said that a communication system will also be established to ensure full communication links in the country. Work on installing the radar and communication system will be completed by the end of 1988. Security steps have also been strengthened by the installation of X-ray screening equipment and closed circuit televisions at airports. In reply to another question, the parliamentary secretary said that several steps have been taken by the government to improve the antiaircraft defense system in Chitral District and desired results have been achieved from them. Violations from across the border have been considerably reduced. He said that 32 violations of Pakistan's airspace were committed during the first half of last year, while during the current year, there was one instance when 4 rockets were fired near Baroch in which there was no loss of life or property.

In reply to another question, Colonel Herbert said that the Pakistan International Airlines sold four DC-10 aircraft and bought from the proceeds of the sale three Boeing 747's and one Airbus; it had to spend no extra money for this.

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CSO: 4656/64

END